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Debt Management
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PRESS NOTICE

UPDATE ON THE IMPLEMENTATION OF MEASURES ANNOUNCED IN THE GOVERNMENT'S RESPONSE TO THE TREASURY BILL CONSULTATION

The United Kingdom Debt Management Office (DMO) is today providing an update on the measures announced in the government's response to the Treasury bill consultation¹.

1. Introduction of Treasury bills around the 12-month maturity point

Tenders for Treasury bills around the 12-month maturity point will begin in January 2027. The DMO will hold tenders for 12-month maturity Treasury bills initially every four weeks. The exact dates of Treasury bill tenders, including 12-month maturity tenders, taking place in Q4 2026-27 will be confirmed in the DMO's Q4 2026-27 Treasury bill tender calendar announcement, due to be published at 11:30am on Thursday 24 December 2026. The frequency of subsequent 12-month maturity tenders will be confirmed at future quarterly Treasury bill tender calendar announcements. Treasury bills launched around the 12-month maturity point will mature around 357 days (i.e. 51 weeks) from the date of first issuance.

2. Introduction of the Treasury Bill Standing Repo Facility (TBSRF)

The Treasury Bill Standing Repo Facility (TBSRF) will open in January 2027 with the exact start date to be confirmed in the DMO's Q4 2026-27 Treasury bill tender calendar announcement. The DMO is, from 28 October 2026, ready to work with Treasury Bill Primary Participants to complete the documentation required to access the TBSRF. Operational details about the TBSRF will be published in the relevant Terms and Conditions at the launch of the facility, but it is expected that the price of the TBSRF will be set at a spread of 20 basis points below Bank Rate. This price will be kept under review and may be amended from time to time.

3. Introduction of a Treasury bill collateral pool

A collateral pool comprising £250 million (nominal) of each Treasury bill currently in issue as of 28 October 2026 has been created. Eligible DMO cash management counterparties can transact in the repo market with the DMO to borrow these securities. To maintain this collateral pool in future, the DMO will create a fixed nominal amount of collateral for each Treasury bill at the point when it is issued for the first time at tender. The DMO does not intend to create collateral routinely at subsequent re-openings of existing Treasury bills. Collateral in the form of specific Treasury bills will

¹ The government's response to the Treasury bill consultation can be accessed at:
<https://dmo.gov.uk/media/cjzdbncl/cons050526.pdf>.

be available to the market immediately following creation and will not be subject to an exclusive Delivery-by-Value holding period².

The fixed amount of collateral created for each new Treasury bill instrument will be £250 million (nominal) from the outset. This amount will be kept under review and will be confirmed at each quarterly Treasury bill tender calendar announcement.

NOTES TO EDITORS

In January 2026, HM Treasury and the DMO launched a consultation on the UK Treasury bill market³. In May 2026, HM Treasury and the DMO published the government's response to the consultation. Taking into account respondents' feedback, and following an assessment of cost and risk, consistent with the government's debt and cash management objectives, HM Treasury and the DMO announced the introduction of three measures to promote the expansion and deepening of the UK Treasury bill market:

- The introduction of Treasury bills around the 12-month maturity point at weekly tenders by the end of the 2026-27 financial year.
- The establishment of a Treasury Bill Standing Repo Facility (TBSRF) in the 2026-27 financial year, enabling dealers to borrow Treasury bills on demand on a temporary basis.
- The creation and maintenance by the DMO of a Treasury bill collateral pool (i.e. Treasury bills not available for outright sale) that can be deployed in the secondary market, with collateral creation expected to begin shortly after Autumn Budget 2026.

In its consultation response, the government also committed to providing further updates around the implementation of these measures at Autumn Budget 2026.

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² In the case of gilt collateral creation, specific gilts are typically not available to the repo market for a period of three months following creation, during which time these new issues may be used in Delivery-by-Value transactions. Given the shorter maturity of Treasury bills relative to gilts, it would not be appropriate to impose such a restriction on these instruments.

³ The consultation document can be accessed at: <https://www.dmo.gov.uk/media/nrgnywtz/pr050126.pdf>.