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## **PRESS NOTICE**

23 March 2000

### **TRANSFER OF EXCHEQUER CASH MANAGEMENT RESPONSIBILITY TO THE DEBT MANAGEMENT OFFICE**

Mike Williams, Chief Executive of the Debt Management Office, confirmed today that the DMO was ready to take over its cash management responsibilities on 3 April.

Speaking at a seminar organised by the British Bankers' Association, Mike Williams said "the new arrangements have been developed in consultation with others in the money market; and we want to continue to work with the market to make them a success. The DMO's main task will be to balance the Exchequer's cash needs every day. In doing this, we have to respond to market developments in the same way as other firms".

Continuing, Mike Williams said that the DMO intends to build up the Treasury Bill stock over time, but that its daily trading will primarily be on a bilateral basis in the secured markets. "We are developing commercial relationships with a range of counterparties, and want to encourage feedback and discussion about future developments".

### **NOTE TO EDITORS**

The transfer of Exchequer cash management responsibilities from the Bank of England to the Debt Management Office was one of the financial market reforms announced by the Chancellor in May 1997. The DMO, an executive agency of HM

Treasury, was established in April 1998 when it took over debt management responsibilities from the Bank of England. Since then the DMO has been developing its approach to cash management and implementing the necessary systems. The timetable for the transition was announced on 29 July 1999 (DMO Press Release 24/99) following consultation with the market.

The DMO's cash management objectives were set by the Chancellor with its annual remit and published in the Debt Management Report on 21 March 2000.

The Debt Management Report, this press release, and related documents can be found on the DMO's website: [www.dmo.gov.uk](http://www.dmo.gov.uk). Queries may be addressed to the DMO's Press Officer: Steve Whiting ([steve.whiting@dmo.gov.uk](mailto:steve.whiting@dmo.gov.uk) or on 020 7862 6532).