

DMO SCREEN ANNOUNCEMENT: 27 APRIL 2000

CASH MANAGEMENT – SPECTRUM AUCTION

The Spectrum auction has been concluded although the number and timing of the relevant payments from the successful bidders have yet to be confirmed. This will depend on a range of factors including whether any pre-conditions need to be satisfied. In the meantime, the DMO will be putting in place arrangements to smooth the payments flowing to the Government from the bidders.

The DMO expects to initiate one or more ad hoc reverse repo tenders with its cash management counterparties which are likely to have forward settlement dates that coincide with the bidders' payment dates. This would be one of the means of placing the cash back into the market.

The DMO will make a further announcement when the payment dates are known that will provide further details on the ad hoc reverse repo tender(s). This will include, in addition to the settlement date, the maturity date of the tender together with an indication of the range of acceptable collateral. In addition to gilts, the DMO will be prepared to accept some euro-denominated securities issued by European governments but would expect shortly to discuss this and other operational issues with each cash management counterparty in advance of the first tender.

The DMO is also in discussion with the Bank of England to ensure that the flow of the bidders' payments to the Government is made smoothly on the relevant payment dates.