

CONSULTATION ON DBVS AND TREASURY BILLS

In November 2002, the Debt Management Office (DMO) asked CRESTCo to consider including Sterling Treasury bills in the Unstripped British Government (UBG) category of DBV when they migrate into the CREST environment in September 2003. CRESTCo agreed to consult with its Wholesale Markets Liaison Group (WMLG) and the Stock Borrowing and Lending Group (SBLG) to gauge the views of the market on this matter. A full copy of the response is available in CRESTCo's February / March Newsletter, available at www.crestco.co.uk.

There was an overwhelmingly positive response by the market to the consultation. As a result, CRESTCo will be including Treasury Bills in the UBG class of DBV from their migration into CREST. CREST members should be aware that they will not have the option to refuse Treasury Bills as part of a DBV of this class, and should therefore consider any system amendments that may be required in this context.

The DMO intends to publish on a daily basis reference prices for each Treasury bill in issue along with their associated ISIN codes. CRESTCo will use these reference prices in the creation of DBVs. CRESTCo has set out the methodology that will be used in their consultation response document.

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