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## **PRESS NOTICE**

### **DMO LAUNCHES NEW ARRANGEMENTS FOR TREASURY BILL ISSUANCE**

The UK Debt Management Office (“DMO”) has today announced changes in the arrangements for issuing Treasury bills with effect from 5 October 2001.

A group of nine banks have agreed to act as Primary Participants in connection with the issuance of Treasury bills. These banks (listed below) have agreed to bid on behalf of other investors at tenders; they have also agreed to provide secondary dealing levels for Treasury bills for their customers.

The DMO is also announcing today a number of operational changes to the Treasury bill tender process to be introduced from 5 October (see note to editors below). All these changes are being brought together for investors in a new Treasury bill Information Memorandum being published by the DMO today. The Information Memorandum itself forms part of an updated DMO Cash Management Operational Notice also being published by the DMO today.

Commenting on these developments, Mike Williams, the Chief Executive of the DMO said,

“Today’s announcement marks an important stage in the development of the market for Treasury bills in the UK. We expect Treasury bills to play a growing role in the DMO’s Exchequer cash management operations and to represent an increasingly important part of the UK Government’s stock of debt instruments. These new arrangements will help widen the investor base in Treasury bills and I look forward to the further development of the Treasury bill market”

## NOTE TO EDITORS

Today's announcement comes against the background of the Government's plans (as stated in the March 2001 Budget) to more than double the stock of Treasury bills in market hands this financial year. A £5 billion increase is planned, taking the stock of Treasury bills to £8.3 billion by the end of March 2002.

The following banks have agreed to act as Treasury bill Primary Participants:

- Barclays Bank plc
- Cater Allen International Ltd
- Credit Lyonnais
- Deutsche Bank
- Halifax Group Treasury & Wholesale Banking
- JP Morgan Securities Ltd
- Salomon Brothers International Ltd
- The Royal Bank of Scotland plc
- UBS Warburg

The list of Primary Participants is at today's date. An updated list will be published from time to time on the DMO web site [www.dmo.gov.uk](http://www.dmo.gov.uk). The DMO welcomes expressions of interest in becoming a Treasury bill Primary Participant from interested counterparties.

In addition to Primary Participants, direct bidding by telephone in Treasury bill tenders is open to the following other eligible participants:

- DMO Cash Management Counterparties – who can bid on existing direct dealing lines.
- A limited range of wholesale market participants who have established a relationship with the DMO.

The main operational changes to the format of Treasury bill tenders with effect from the tenders to be held on 5 October 2001 are:

- all bids must be received by 11.00 am (London time) on the day of the tender (currently 12.30 pm );
- all bids must be made (on a money market yield basis) to three decimal places (currently two decimal places);
- bids at tenders must be for a minimum of £500,000 nominal of bills (currently £1 million);
- the minimum issuance denomination of Treasury bills will be £25,000 (currently £5,000)

This press release, the new Treasury Bill Information Memorandum and the updated Exchequer Cash Management Operational Notice, together with a briefing note on Treasury bills will be available on the DMO web site [www.dmo.gov.uk](http://www.dmo.gov.uk)