

DMO Collateral announcement 31 March 2006

The DMO announces that it will **not** be creating a combination of gilts and Treasury bills for use as collateral in its cash management operations in April 2006.

Paragraph 6.10 of the 2006-07 DMO Exchequer Cash Management remit provides for the issue on the third Wednesday of April, June and October 2006 and January 2007, of a combination of gilts and Treasury bills to be used only as collateral in the DMO's cash management operations. Collateral was created for this purpose in April and October 2005 but not in July 2005 or January 2006.

Paragraph 6.10 of the DMO Exchequer Cash Management remit requires that the DMO gives advance notice whether any collateral is created or not.