

COLLATERAL POSITIONING

Collateral eligibility should be checked ahead of a new advance or substitution. Eligibility of securities can be checked by submitting ISINs to eligible.securities@bankofengland.co.uk; eligibility of loan portfolios is determined through a separate eligibility approval process (queries relating to this process should be addressed to eligible.loans@bankofengland.co.uk).

TFSME drawings are collateralised in the main collateral pool (SCP) alongside SMF Advances and other Funding Schemes. Loans can be delivered by following the process outlined on the second page of this guide. Participants can also deliver securities to the SCP from other collateral pools using the Collateral Management Portal (CMP). For loans, Participants should transfer loan pools into the Loan Pre Positioning pool before moving them into the SCP.

PROCESS FOR NEW DRAWING

Collateral: Participant should ensure collateral is in the SCP ahead of requesting an advance. If further collateral is required, participant to complete collateral positioning process outlined above.

Drawdown Request:

For a new TFSME advance, participant telephones the Bank's Sterling Markets Dealing Desk to request an advance, at any time before 12:00pm.

Drawdown Request: On date of transaction, participant sends a completed version of the TFSME Drawdown Request (signed by an authorised signatory) before 12:00pm to TFSME-transactions@bankofengland.co.uk, detailing the size of the requested advance.

The Bank will check that the Participant has sufficient collateral available and that the advance will not result in the Participant's Group exceeding its Borrowing Allowance.

The Bank will send a TFSME Drawdown Notification to confirm the term and value of the advance.

Participant to receive funds into nominated account (as set out in participant's standard settlement instructions) on the day of drawing

EARLY TERMINATION PROCESS

Participants should give the Bank at least two Business Days' notice of the intention to repay early a TFSME Advance (including specifying a full or partial repayment) by telephoning the Bank's Sterling Markets Division Dealing Desk.

On the termination date, the Participant should telephone the Bank's Sterling Markets Division Dealing Desk before 12:00pm to confirm the intention to repay.

Participant must send a completed TFSME Repayment Notice to TFSME-transactions@bankofengland.co.uk before 12:00pm, including the original transaction reference and the amount to be terminated.

For full repayments, accrued TFSME Interest is due at the point of repayment, as a separate payment. Participants should contact the Sterling Markets Division Dealing Desk in advance to confirm the exact amount of TFSME Interest due. For partial repayments, the Bank will continue to send a payment invoice on the first Business Day of each calendar quarter for any TFSME Interest due.

REFINANCING TFS INTO TFSME

Participants may refinance an existing TFS drawing into the TFSME, and net the cashflows with the Bank (excluding any interest and/or fees owed to the Bank). Participants who wish to refinance TFS drawings must notify the sterling dealing desk at least 5 business days in advance. TFS drawings may be refinanced into the TFSME with netted cashflows either on or before their contractual maturity. If a participant wishes to refinance a TFS drawing with netted cashflows before its contractual maturity, then the participant will be required to send a completed [TFS Repayment Notice](#) at the same time as the [TFSME Drawdown Request](#). Interest on the refinanced TFS drawing will be payable at the point of refinancing and will not be netted. In all instances, the process for new TFSME drawings (as above) is followed. Further information is set out in the [TFSME Operating Procedures](#).

COLLATERAL MOVEMENTS

Participants must ensure their positions remain fully collateralised at all times. All collateral movements should be completed in line with the details provided in the [TFSME Operating Procedures](#)



To move securities directly into or out of the SCP: Eligible securities can be moved by using the CMP.

To move loans directly into or out of the SCP: Participant sends a completed [Confirmation Template](#) form and, for a movement into the SCP, the relevant Collateral transfer request notice to loansdata@bankofengland.co.uk, detailing loans to be transferred and additional settlement information if required. See 'Further guidance on loan collateral' for further details.



The Bank will endeavour to complete collateral movements on a same day basis, subject to the timings outlined in the [TFSME Operating Procedures](#).

DOCUMENTATION

[TFSME Operating Procedures](#)

COLLATERAL CALL PROCESS

In the event of a collateral call, the Bank endeavours to notify the Participant by 10:30am. The Bank expects such calls to be met on the same Business Day.



The Participant should deliver additional collateral to cover the call. This should be initiated by 11:30am. The collateral delivered must settle as soon as possible on the day the collateral call is made.



Collateral cannot be delivered on the same day as a collateral call via the Bank of Japan, the Bank of Canada or domestically in the United States via DTC or FRBNY, reflecting practical timing constraints. Such securities can be pre-positioned or substituted once securities delivered via Crest or the ICSD have settled.

Participants should be aware that this document is intended only as a quick reference guide, and should be read together with the [TFSME Documentation](#). If, after reviewing the [TFSME Documentation](#), Participants are unsure of any point of process they should contact the Bank's Sterling Markets Division Dealing Desk.

In the event of any conflict between procedures outlined here and those outlined in the [TFSME Documentation](#) the latter takes precedence.

FURTHER GUIDANCE ON LOAN COLLATERAL

Both a Loan Collateral Transfer Request Notice (LCTRN) and a Confirmation Template are required for moving loans into the SCP. These should be completed and sent to loansdata@bankofengland.co.uk. For more information on how to complete the confirmation templates, please see the [user guide](#).

The LCTRN to be used when moving loans into the SCP is available [here](#).

To move loans from an existing pool into the SCP, the loans should first be moved to the loan repositioning pool and then moved into the SCP.

Loans governed by Scottish Law or subject to a Declaration of Trust require extra documentation. Further guidance on utilising these loans in the TFSME should be sought from loansdata@bankofengland.co.uk.

BANK OF ENGLAND SETTLEMENT ACCOUNT DETAILS

Euroclear – 92696

Clearstream – 78042

US DTC – securities are held via Bank of New York Mellon (DTC code 2634) account 155535

JGBs – account held with Bank of Japan (0500021) (Please note this must settle on a T+2 basis)

Bank of Canada – 30643005

FRBNY – SCB/6000 ABA, 021088904, Account - England

CHAPS – 10-00-00, 54833493, BKENGB33XXX, OMO Payment Account

SWIFT BIC – BKENGB2LXXX

CONTACT DETAILS

Front office: 020 3461 5000 / TFSME-transactions@bankofengland.co.uk

Middle Office: 020 3461 5909 / loansdata@bankofengland.co.uk

Back office: 020 3461 5700 / CMC.SCP@bankofengland.co.uk