



FUNDING FOR LENDING SCHEME – QUICK REFERENCE GUIDE

COLLATERAL POSITIONING

Collateral eligibility should be checked in advance of drawdown 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). Eligible collateral can be added straight to the main collateral pool.

Eligible securities can be delivered directly to the main collateral pool at any time via the Collateral Management Portal. Loans can be delivered directly to the main collateral pool by sending a completed [Collateral In](#) form detailing unique identifiers (ISINs), nominal values and details of the settlement system and account number. This form can be used as an alternative for participants who do not have access to the Collateral Management Portal. The Bank encourages Participants to deliver securities or loans with the Bank in advance of an FLS Transaction. Completed templates should be sent to cmcsdp@bankofengland.co.uk.

DRAWDOWN PROCESS

Participant telephones the Bank's Sterling Markets Dealing Desk to request a drawdown, at any time before 12:00pm.



Transaction Request: Participant sends a completed version of the [FLS Transaction Request](#) (signed by an authorised signatory) before 12:00pm to FLS-transactions@bankofengland.co.uk, detailing the nominal value of Treasury Bills required.



Collateral: Participant sends a completed version of the [Collateral Increase form](#) (see 'Confirmation Template') to cmcsdp@bankofengland.co.uk by 12:00pm. Participants wishing to deliver loans to the main collateral pool should also complete the [Loan Collateral Transfer Notice - Bank](#).



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



The Bank will send an FLS Transaction Notification to confirm the Business Date on which the FLS Transaction will commence and the nominal value and ISIN of the Treasury Bills to be lent by the Bank.



Participant should match Bank instructions in CREST to allow settlement.



The Bank will aim to deliver Treasury Bills by MTM delivery by 14:55. If this is not practicable settlement will occur in the Free of Payment window (17:30-18:00) in which case the Participant must use the highest priority in CREST to enable settlement to occur (90).

TERMINATION PROCESS

Participants should give the Bank at least two Business Days' notice of the intention to terminate an FLS Transaction (including specifying a full or partial termination) 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 to confirm the intention to terminate before 12:00pm.



Participant must send a completed [FLS Transaction Termination Notice](#) to FLS-transactions@bankofengland.co.uk before 12:00pm, including the original transaction reference and the nominal value of Treasury Bills to be returned.



If withdrawing excess collateral following a termination, the Participant must return the Treasury Bills and pay any necessary fees prior to the Bank returning collateral.

MATURITY PROCESS

On the day of a maturity the



COLLATERAL MOVEMENTS

Participants must ensure their positions remain fully collateralised at all times. For securities, call the Back Office settlement team as early as possible on the day to request a collateral movement. Participants should ensure they send details of securities to the settlement team at least 3 hours before the deadlines outlined in the [SMF Operating Procedures](#).



To move loans or securities directly into or out of the main collateral pool:

Participant sends a completed [Collateral In/Collateral Out](#) form (see 'Confirmation Template') to cmcscp@bankofengland.co.uk, detailing loans* or securities to be transferred and additional settlement information if required. Securities can also be transferred using the Collateral Management Portal.



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

*For collateral movements involving portfolios of loans, participants must also complete a signed Loan Collateral Transfer Notice. Please refer to section of the [SMF Operating Procedures](#) for further detail.

USER GUIDE TO COLLATERAL CONFIRMATION TEMPLATES

For more information on how to complete the Confirmation templates, please see the [user guide](#).

Participants should be aware that this document is intended only as a quick reference guide, and should be read together with the [FLS Documentation](#). If, after reviewing the [FLS 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 [FLS Documentation](#) the latter takes precedence.

COLLATERAL CALL PROCESS

In the event of a margin 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 submit a completed template (see 'Collateral Movements' for detail) to deliver additional collateral. This should be sent to cmcscp@bankofengland.co.uk, detailing the collateral to be used, by 11:30am. The collateral delivered must settle as soon as possible on the day the margin call is made.



Collateral cannot be delivered on the same day as a margin 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.

BANK OF ENGLAND SETTLEMENT ACCOUNT DETAILS

CREST – 1MMAY – note this is the account from which Treasury Bills will be delivered

7333 - the account collateral is delivered to and from the main collateral pool

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)

Bank of Canada – 30643-9

FRBNY – SCB/6000 ABA 021088904

CONTACT DETAILS

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

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