

KEY INFORMATION

|                     |   |
|---------------------|---|
| Asset lent          | Gilts or reserves                             |
| Settlement & Term   | T+0 settlement; test trade term up to 5 days. |
| Test Trade Size     | £100,000                                      |
| Pricing             | <u>DWF fees</u>                               |
| Eligible collateral | Level A, B, C                                 |

CONTACT DETAILS

Sterling Desk:

020 3461 5000

✉ [discountwindow-drawings@bankofengland.co.uk](mailto:discountwindow-drawings@bankofengland.co.uk)

Back Office:

020 3461 5700

✉ [cmc.scp@bankofengland.co.uk](mailto:cmc.scp@bankofengland.co.uk)

1) SCHEDULING

- i. The Sterling Desk will reach out when a DWF participant’s test trade is due. If you would like to arrange an additional test, please contact the Sterling Desk (020 3461 5000) to arrange a drawdown date.
- ii. **Two working days ahead of the drawdown, email a completed Transaction Notice to [discountwindow-drawings@bankofengland.co.uk](mailto:discountwindow-drawings@bankofengland.co.uk).** Specifying:
  - a. the term of the drawing (1-5 days for a test trade);
  - b. the collateral to be used (as an approximate guide for a test trade, in order to avoid a margin call, it would be best to position at least £125k market value of Level A, £150k of Level B or £200k of Level C collateral per £100k of drawdown);
  - c. the value of the drawdown request (£100k for a test trade);
  - d. the drawing type, i.e. reserves or gilts; and
  - e. *if gilts*, the CREST delivery mechanism i.e. Member-to-Member (MTM) or DBV.

2) DRAWDOWN PROCESS

- i. **The collateral must be positioned in the single collateral pool (SCP) ahead of the drawdown.** For further details, please see [collateral management](#) or sections 7-9 of the [SMF operating procedures](#). *Please note, if you are planning to use Level A or B collateral for a test trade, the Sterling Desk recommends carrying out a collateral movement into the SCP as part of the DWF test process, regardless of whether you have pre-existing excess collateral available in the SCP, in order to ensure readiness in the case of a live drawing.*
- ii. **On the morning of the drawdown please phone the Sterling Desk (020 3461 5000) to confirm you wish to proceed with the test trade.**
- iii. The Bank will be in contact to confirm the drawing status and advise on the anticipated DWF Fee. For MTM gilts, the Bank will also advise on the ISINs and the nominal value being lent.

3) T+0 SETTLEMENT WINDOW

GILTS

- i. **DWF participant to enter instructions to receive the gilts in CREST as early as possible.**
- ii. **MTM:** gilts will be delivered by the Bank by 15:45 during the first free of payment (FoP) window. If this is not practicable, settlement will occur in the second and final FoP window (17:30-18:00). In this event, the participant must use the highest settlement priority in CREST (90).
- iii. **DBV:** settlement can occur throughout the day until 17:30.

RESERVES

- i. Reserves will be delivered **before 18:00**.

4) MATURITY PROCESS

- i. **Participants should ensure the return of the gilts or reserves, and the fee payment, by 14:00 on the maturity date**, and follow the SSIs to ensure timely and accurate settlement.
- ii. This must be complete before the Bank will transfer the collateral out of the DWF pool into the main single collateral pool.

DWF SETTLEMENT ACCOUNT DETAILS

|                           |                      |
|---------------------------|----------------------|
| Receiving/Returning gilts | CREST - JOMAY        |
| DWF Fee payment           | BoE Account 50001906 |
| DWF Reserves repayment    | BoE Account 54833493 |

FURTHER DOCUMENTATION<sup>(b)</sup>

[Settlement and collateral management](#)

[SMF Operating Procedures](#)

[SMF Terms & Conditions](#)

<sup>(b)</sup>Participants should be aware that this document is intended only as a quick reference guide, and should be consulted in partnership with [SMF Documentation](#). If, after consulting documentation, participants are unsure of any point of the process, they should contact the Sterling Desk.