

SMF Application Form - for applicants wishing to become participants in the Bank of England's Sterling Monetary Framework facilities

Notes for applicants on the application process

1. Applicants should be aware that there are a number of defined steps required to meet the Bank's Eligibility Criteria and become a participant in the Sterling Monetary Framework (SMF). Many of these steps involve action by the applicant and the application process will vary depending on your particular circumstances, operational readiness and the outcome of the Bank's risk assessment so the time taken for each application will be different. Admission is at the sole discretion of the Bank, and any work undertaken or expense incurred is at the applicant's own risk and does not guarantee entry. The Bank will provide a key contact name in managing the application process and encourages a regular dialogue throughout.
2. The Bank may require other entities within the applicant's group to provide a guarantee in respect of the applicant's obligations to the Bank. Such a guarantee must conform with the *pro forma* guarantee published by the Bank on its website: <https://www.bankofengland.co.uk/markets/the-sterling-monetary-framework>. The Bank may seek a legal opinion in respect of the guarantee which must conform with the *pro forma* legal opinion on the guarantee published by the Bank on its website.
3. The Bank will require applicants incorporated outside of the UK to provide a legal opinion from a suitably qualified and experienced in-house or external lawyer on its constitutional capacity to be a Participant; and the Bank may require the provision by the applicant of a legal opinion on the enforceability of the SMF Documentation under its home country law by a suitably qualified and experienced external lawyer. The Bank will notify the applicant when it requires these legal opinions to be provided and these must conform with the *pro forma* legal opinions published by the Bank on its website.
4. The Bank strongly encourages SMF applicants and Participants to adhere to the UK Money Markets Code and any other guidelines, such as the FX Global Code, which are relevant to the Participant's activities.
5. Institutions that are not required to place Cash Ratio Deposits with the Bank, will be required to pay a fee every six months as a condition of their participation in the SMF facilities, as set out in the SMF Operating Procedures Section 2.

Please provide the following information together with this Application Form:

- a **group structure chart** of the applicant's group including all main holding companies and subsidiaries of the applicant company, and fellow subsidiaries;
- an **organisation chart**, including individual names and job titles, which shows all lines of reporting applicable to the relevant sections of the applicant; and
- a copy of the **latest annual report and accounts** of the applicant and of its holding company/group and of any company which does or will guarantee the obligations of the applicant. (It is acceptable to refer to the location of such information on a website)

Instructions for completing this Application Form

Please ensure full and comprehensive answers are provided in response to each question.

All SMF applicants should complete Sections 1, 2, 3, 4, 10, 11 and 12.

Reserves Account Facility applicants should complete Section 5.

Operational Standing Facilities applicants should complete Section 6.

Discount Window Facility applicants should complete Section 7.

Open Market Operations applicants should complete Section 8.

Gilt Purchase OMO applicants should complete Section 9.

Please note that CCPs are not eligible to apply for Open Market Operations or Gilt Purchase OMOs.

Overview of Application Form

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Section 2:	Front Office Contact Details
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Section 1: To be completed by all SMF applicants

1. Name of applicant (please give the applicant's name as it appears on the certificate of incorporation or similar document, along with any business/trading name).

2. Name, job title, phone number, and postal and email addresses of senior manager responsible for the Bank of England relationship with regard to the Sterling Monetary Framework.

Name:

Job Title:

Phone Number:

Address:

Postcode:

Email Address:

3. Name, job title, phone number, and postal and email addresses of individual completing the Application Form.

Name:

Job Title:

Phone Number:

Address:

Postcode:

Email Address:

4. Address of applicant (for the purpose of correspondence on this application) and address of head office where different.

Address of applicant:

Address of head office
where different:

5. Country or territory of incorporation of the applicant.
6. Office(s) / branch(es) of the applicant (including address(es)) which will transact the relevant business with the Bank of England (where several offices are involved, please indicate the role of the office, e.g. one office may participate in Open Market Operations and another hold the Reserves Account).
7. Legal Entity Identifier of the applicant:
8. Bloomberg ticker of the applicant (if available):
9. Please indicate whether the institution is applying as a (tick one):
- Bank or building society*
- Broker-dealer*
- CCP*
10. Please indicate the facilities the institution would like to apply for:
- Reserves Account and Operational Standing Facilities¹
- Discount Window Facility
- Open Market Operations
- If the institution is a Gilt-edged Market Maker for Gilt Purchases, does the institution also like to apply for OMOs?
- Gilt Purchase OMOs
11. Please indicate whether the institution has signed a Statement of Commitment to the UK Money Markets Code:
- Yes No

¹ Under certain circumstances, and at its own discretion, the Bank will consider granting Applicants/Participants a waiver from the Operational Standing Facilities requirement, for smaller institutions without a securities custodian relationship. Please contact applications@bankofengland.co.uk if you wish to enquire about this waiver.

12. Please give details here of any institution in your Group that is eligible to become a Participant in the Bank's Sterling Money Market Operations? For example, please list the institution here if it is (i) an authorised person as defined in the Financial Services and Markets Act 2000 and is either (a) an eligible institution (as defined in paragraph 1 of Schedule 2 of the Bank of England Act 1998) or (b) an investment firm which has been designated by the Prudential Regulation Authority for prudential supervision, or (ii) a central counterparty operating in UK markets either authorised under EMIR or recognised by ESMA (a 'CCP').

For the purposes of this question "Group" has the same meaning as in section 421 of the Financial Services and Markets Act 2000. Please see Part F (Glossary) of the Sterling Monetary Framework Terms and Conditions for a full definition. Note that the definition of "Group" covers a "participating interest" in an undertaking (i.e. a "holding of 20% or more of shares in an undertaking").

Regulation

For banks, building societies and broker-dealers

13. Please confirm that the applicant is authorised for the purposes of the Financial Services and Markets Act 2000.

Yes

14. What is the applicant's PRA firm reference number?

15. If the applicant is incorporated elsewhere in the European Economic Area, does it operate in the United Kingdom under the EEA passport arrangements?

Yes **No**

If yes, please give details:

16. Please list the name, telephone number and email address of the individuals at the PRA and FCA responsible for supervision of the applicant.

Name:

Phone Number:

Email Address:

Name:

Phone Number:

Email Address:

Name:

Phone Number:

Email Address:

Name:

Phone Number:

Email Address:

For CCPs

17. Please confirm that the firm is either authorised under EMIR by a competent authority or recognised under EMIR by the European Securities and Markets Authority.

Yes

For applicants incorporated overseas

18. Where applicable please list the name, telephone number and email address of the individual responsible for supervision of the applicant at the relevant supervisory authority in the applicant's country of incorporation, along with the name of that supervisory authority.

Name:

Phone Number:

Email Address:

Name of supervisory
authority:

For all applicants

19. Has this application been discussed with the relevant supervisory authority?

Yes No

Compliance with the Terms and Conditions

20. Have any of the events of default set out in Section A.11 of the Terms & Conditions occurred in relation to the company?

Yes No

If yes, please give details:

21. What arrangements would the applicant have to ensure that the clause in the Terms and Conditions, which requires participants to immediately notify the Bank if an Event of Default or a Potential Event of Default occurs, is complied with?

22. What arrangements will the applicant have in place to help ensure that it complies with the confidentiality requirements in the Documentation?

Settlement Arrangements, Business Plan and Business Continuity

23. Can the applicant confirm that it would be delivering to the Bank (whether directly or through another party) eligible collateral to which it has absolute title free from all liens, claims, charges and encumbrances?

Yes No

24. Can the applicant confirm that, if another group company or third party would be responsible for delivering eligible collateral to the Bank on behalf of the applicant, that other group company or third party would have no interest in such collateral?

Yes No

25. In summary, how will participation in the SMF facilities fit into the applicant's liquidity management and overall business plan?

26. Could there be any conflicts of interests between the applicant and any related company relating to its money market transactions with the Bank? If so, please provide details and state how the applicant would expect to manage these conflicts of interest and what regulatory requirements there would be in this area.

27. What business continuity arrangements would the applicant use for its operations with the Bank? Please list details of any contingency site in Section 3 of this application form.

28. Can the applicant confirm that it will promptly take all such steps and execute all tax documentation/forms (in such form as the relevant tax authority may require) in connection with the Documentation? All tax documentation should be sent to CMCClientSetup@bankofengland.co.uk

Yes

Section 2: Front Office Contact Details

Company Name:

Company Address:

Postcode:

Front Office staff with whom SMF Participation may be discussed as part of the Bank's SMF Relationship Management Framework:

Name:

Position:

Telephone Number:

Email Address:

Name:

Position:

Telephone Number:

Email Address:

Name:

Position:

Telephone Number:

Email Address:

Section 3: Contingency Site Details

Address:

Postcode:

Telephone Number:

Section 4: Notice Details

For the purposes of the notices clause (A.5) of the Terms & Conditions for the Sterling Monetary Framework, the Participant's notice details are as follows:

Address:

Postcode:

For the attention of:

Email Address:

Section 5: To Be Completed by Reserves Account Facility Applicants

The Reserves Account is operated via Enquiry Link software, which runs over SWIFT. Applicants will be required to install and complete testing on Enquiry Link including the execution of a £1 on/off test in the live environment, prior to their being accepted as a Reserves participant.

If the applicant is not a member of SWIFT it will be required to seek membership of SWIFT.

1 Is the applicant currently a member of SWIFT?

Yes **No**

The Reserves Account is funded/defunded via CHAPS, to ensure that transactions are settled efficiently (i.e. on a same day basis). Applicants must therefore ensure they have access to CHAPS either directly or indirectly, via their settlement bank.

2 Does the applicant have access to CHAPS?

Yes **No**

3 If the applicant has indirect access to CHAPS, what is the name of the applicant's settlement bank?

Section 6: To be completed by Operational Standing Facilities Applicants

Operational Standing Facilities applicants will be required to complete a test trade, to demonstrate that they have the operational capacity to execute Operational Standing Facilities transactions. Applicants will be required to provide the Bank with some eligible collateral as part of the trade. Details of eligible collateral are available here:

<https://www.bankofengland.co.uk/markets/eligible-collateral>

1 Does the applicant have experience in conducting collateralised lending transactions?

Yes No

If yes, please give summaries of the nature and scale of any collateralised lending activity.

2 Does the applicant typically hold, outright or in repo or collateralised lending transactions, Eligible Securities (as defined in the Documentation)?

Yes No

3 If no to question 2, does the applicant intend in the near future to hold, outright or in repo or collateralised lending transactions, Eligible Securities (as defined in the Documentation)?

4 Which types of eligible security would the applicant typically have available for collateralised lending transactions with the Bank? (Please give an indication of the approximate size of recent and expected holdings and positions)

5 Does the applicant wish to apply for a waiver from the OSF requirement and apply for a reserves account only? (This is only applicable to smaller banks without a securities custodian relationship)

Yes No

Section 7: To Be Completed by Discount Window Facility Applicants

Discount Window Facility applicants will be required to complete a test trade, to demonstrate they have the operational capability to execute Discount Window Facility transactions. Applicants will be required to provide the Bank with some eligible collateral as part of the trade. Details of eligible collateral are available here:

<https://www.bankofengland.co.uk/markets/eligible-collateral>

Discount Window Facility applicants which intend to provide loans to the Bank as collateral will need to complete a separate process and provide certain additional documentation as notified to the applicant by the Bank. Further information on providing loans as collateral to the Bank is available in the Operating Procedures, on the Bank's website or by contacting the Bank's Collateral Management Team at eligible.loans@bankofengland.co.uk.

1 Does the applicant have experience in conducting collateralised lending transactions?

Yes No

If yes, please give summaries of the nature and scale of any collateralised lending activity.

2 Does the applicant typically hold eligible collateral?

Yes No

3 Which types of eligible collateral does the applicant typically have available? (Please give an indication of the approximate size of recent and expected holdings and positions.)

4 Does the applicant have a CREST account?

Yes No

Section 8: To Be Completed by Open Market Operations Applicants

Open Market Operations applicants will be required to complete a test trade, to demonstrate that they have the operational capacity to execute Open Market Operations transactions. Applicants will be required to provide the Bank with some eligible collateral as part of the trade. Details of eligible collateral are available here:

<https://www.bankofengland.co.uk/markets/eligible-collateral>

The Bank's Open Market Operations are conducted over its electronic tendering system, Btender, which runs over SWIFT. Applicants will be required to install and complete testing on Btender prior to admission. If the applicant is not a member of SWIFT it will be required to seek membership of SWIFT.

The Bank also requires Open Market Operations applicants to install and maintain a designated direct telephone line to the Bank's sterling dealing desk. The Bank may agree to waive this requirement where it proves operationally challenging and disproportionately costly for the Participant to install such a line. Participants requesting a waiver must accept the additional risks associated with not having a designated direct line.

1 Does the applicant have experience in conducting collateralised lending transaction?

Yes No

If yes, please give summaries of the nature and scale of any collateralised lending transaction activity.

2 Does the applicant typically hold, outright or in repo or collateralised lending transactions, Eligible Securities (as defined in the Documentation)?

Yes No

3 Which types of eligible security would the applicant typically have available for collateralised lending transactions with the Bank? (Please give an indication of the approximate size of recent and expected holdings and positions)

4 Is the applicant currently a member of SWIFT?

Yes No

5 Does the applicant wish to apply for a waiver from the requirement to install a designated direct line?

Yes No

Section 9: To Be Completed by Gilt Purchase OMO Applicants

- 1 Please give an indication of the approximate size of recent and expected holdings and traded volumes of gilts.

BANK OF ENGLAND AUTHORISED SIGNATORY EVIDENCE FORM

This form must be completed on behalf of your organisation if you wish to participate in any Bank of England (the Bank) or Bank of England Asset Purchase Facility Fund Limited (BEAPFF) or any other Bank subsidiary's market operations, facilities or schemes (the Facilities). To ensure our records are kept up to date, the Bank (acting for itself or as Agent for BEAPFF or any other Bank subsidiary) may require that this form is updated by you from time to time.

NAME OF PARTICIPANT

EFFECTIVE AS FROM

Name of Authorised Signatory	Specimen Signature (scanned version acceptable)	E-mail Address

[I] [We]¹ hereby certify:

- (i) that the signatures contained on this form are authentic and are true copies of those named;
- (ii) [that any person listed above acting singly is] [that any []² persons listed above acting jointly are]³ duly authorised to sign any and all documentation (as required) for and on behalf of the Participant in connection with the Facilities, and that the persons listed above have full authority to bind the Participant in accordance with the Participant's internal corporate governance or board approvals;
- (iii) that [I am an authorised signatory] [we are authorised signatories]⁴ on behalf of the Participant and have the relevant authority (delegated or otherwise) to complete this form for and on behalf of the Participant.

Signed

[Signed

Name

Name

Title

Title

Authorised Signatory for and on behalf of the Participant

Authorised Signatory for and on behalf of the Participant]⁵

¹ Please delete/remove brackets as appropriate
² Insert number of persons who should jointly sign documentation if relevant
³ Please delete/remove brackets as appropriate
⁴ Please delete/remove brackets as appropriate
⁵ Please delete/remove brackets as appropriate

FRONT OFFICE CONTACT NUMBER FORM

This form must be completed on the behalf of your organisation if you wish to participate in any Bank of England facilities, but do not wish to set up a designated direct line to the Bank's sterling dealing desk. Organisations wishing to participate in OMOs without setting up a designated direct line must apply for a waiver from this requirement. To ensure our records are kept up to date, the Bank may require that this form is updated by you from time to time.

NAME OF PARTICIPANT

EFFECTIVE AS FROM

Telephone number (landline only)	Facilities this number may be used for (eg OSFs, OMOs, DWF, FLS, contingency)

I (or We) hereby certify that:

- (i) the telephone number(s) above may be used to authenticate instructions given on behalf of the Participant, in relation to the facilities specified;
- (ii) the telephone number(s) above will be answered during working hours rather than reverting to voicemail;
- (iii) (for OMO participants) I (or we) accept the additional risks of not installing a designated direct line, set out in the SMF Operating Procedures; and
- (iv) I (or we) are authorised signatories on behalf of the Participant and have the relevant authority (delegated or otherwise) to complete this form for and on behalf of the Participant⁶.

Signed

Signed

Name

Name

Title

Title

Authorised Signatory for and on behalf of the Participant

Authorised Signatory for and on behalf of the Participant

⁶ Please provide evidence to support the authority of the Authorised Signatories signing this form on behalf of the participant, together with specimen signatures duly certified as authentic and true. Guidance on the evidence required to support the Authorised Signatory Evidence Form is available at <http://www.bankofengland.co.uk/markets/Pages/money/applications.aspx> or <http://www.bankofengland.co.uk/markets/Pages/apf/termfunding/applications.aspx>

Section 12: Declaration and Application Form Sign Off

By filling out this form, the applicant:

- (i) applies to become a counterparty in the Sterling Monetary Framework, for the facilities indicated in Section 1, question 8;
- (ii) represents and warrants that the information given in this application form is true, accurate, and complete to the best of its knowledge.

For and on behalf of applicant

Signed

Name.....

Title.....

Date.....

This Application Form is available on the Bank's website:

<https://www.bankofengland.co.uk/markets/the-sterling-monetary-framework>

Bank of England

October 2018