



**BANK OF ENGLAND**

# News release

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## **H M Government Gold Auction Result: 21 March 2000**

The Bank of England announces that the gold on offer (approximately 25 tonnes or 803,600 ounces) has been allotted in full at a price of \$285.25 per ounce. Details of the result are as follows:

Amount of gold on offer (approx.)	803,600 oz
Amount applied for	2,411,600 oz
Times covered	3.0 times
Amount allotted to bidders	804,400 oz
Allotment price	\$285.25
Scaling factor at allotment price	46.9925%

All accepted bids which were made at prices above the allotment price have been allotted in full at the allotment price. Valid bids made at the allotment price have been allotted an amount of gold equal to the amount bid for multiplied by the above scaling factor and rounded up to the nearest 400 ounces.

By close of business in London today, applicants whose bids have been successful in whole or in part will be notified by the Bank of England of the exact weight of the gold bars allotted to them and the amount payable in respect of their purchase. Payment must be made in US dollars to the Bank of England's account at the Federal Reserve Bank of New York, no later than 12 noon New York time on 23 March 2000.

### **Notes for Editors**

On 7 May 1999, H M Treasury announced a restructuring of the United Kingdom's official reserves which involves a programme of gold auctions. The announcement stated that, on behalf of H M Treasury, the Bank of England was to sell approximately 125 tonnes of gold from the Exchange Equalisation Account in a programme of five auctions of around 25 tonnes each in the financial year 1999/2000 on the terms and conditions set out in an Information Memorandum which was published on 11 June 1999. Four auctions in the series were held on 6 July 1999, 21 September 1999, 29 November 1999 and 25 January 2000. This is the final auction in this financial year.

Plans for gold sales in the financial year 2000/01 were announced by HM Treasury on 3 March 2000. There will be a programme of six auctions, of around 25 tonnes each. The first two auctions in this series will take place on Tuesday 23 May and Wednesday 12 July 2000. It is intended that the remaining four auctions in this programme will take place in September and November 2000 and in January and March 2001.

At the time of the May 1999 announcement, \$6.5bn of the UK's reserves were held in gold (715 tonnes). Over the medium term H M Treasury is planning to reduce its gold holdings to around 300 tonnes.