



**BANK OF ENGLAND**

# News release

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## **Bank of England Euro Notes: Announcement of Auction and Publication of Information Memorandum**

The Bank of England today announced the auction of €1 billion nominal of Bank of England Euro Notes maturing in 2006. The auction, which will be on a bid-yield basis, will take place on Tuesday 21 January 2003. An additional €1,200 million nominal of Notes will be allotted directly to the Bank of England. €100 million of these Notes will be available for sale and repurchase operations with market makers for the Bank of England Euro Note programme. €1,100 million nominal of these Notes will be held by the Bank with the intention that they will be sold in a subsequent auction or may be made available for sale and repurchase operations with the market makers. The Notes will be issued on Monday 27 January 2003, to mature on Friday 27 January 2006. This will be the third issue of Bank of England Euro Notes, following the announcement of 21 March 2000 setting out arrangements for the Bank of England to replace HM Treasury as issuer of Notes denominated in euro.

It is expected that the remaining tranche of the Note maturing in 2006 will be sold in an auction to be held on 18 March 2003. The amount to be offered at any future auction will be announced at least four business days in advance of the auction.

In addition, the Bank of England has today published a new Information Memorandum for the Bank of England Euro Note programme, which includes a revised list of market makers. Copies of the Information Memorandum are available from the Bank of England on request.

### **Notes for Editors**

On 21 March 2000, the Bank of England announced that it would be taking over from HM Treasury as the issuer of 3-year euro Notes with effect from January 2001. The UK Government Euro Treasury Note Programme (together with its predecessor, the ECU Treasury Note programme) had been running since 1992.

There are currently €2 bn of UK Government Euro Treasury Notes outstanding with the public, maturing on 28 January 2003. These remain the obligation of HM Treasury. The original maturity of these Notes was

three years. In addition €4 bn of Bank of England Euro Notes and €3.6 bn of Bank of England Euro Bills (one to six months to maturity) are outstanding with the public. All these instruments are eligible as Tier 1 collateral within TARGET for euro intra-day liquidity and in the ESCB's open market operations. They are also eligible as collateral for repo in the Bank's sterling open market operations and for intra-day liquidity within the CHAPS sterling and CHAPS euro payment systems.

The proceeds of the issue of Bank of England Euro Notes will be added to the foreign currency holdings of the Bank of England.

This information does not constitute an offer of securities for sale in the United States. The securities referred to herein have not been and will not be registered under the U.S. Securities Act of 1933, as amended, and may not be offered or sold without registration thereunder or pursuant to an available exemption therefrom.

There are 19 Bank of England Euro Note market makers, as listed in the Information Memorandum.

### **Key Resources**

#### Auction Notice

<http://webarchive.nationalarchives.gov.uk/20100114080129/http://www.bankofengland.co.uk/publications/news/2003/auctnt70.pdf>

#### Information Memorandum

<http://webarchive.nationalarchives.gov.uk/20100114080129/http://www.bankofengland.co.uk/publications/news/2003/infmem030114.pdf>