



BANK OF ENGLAND

News release

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30 July 2009

Asset Purchase Facility: Secured Commercial Paper

The Bank is today publishing details of its Secured Commercial Paper Facility to support the provision of working capital to a broad population of companies. This follows the consultative paper on the proposed extension to its Asset Purchase Facility (APF) dated 8 June 2009.

The Secured Commercial Paper Facility (SCP) will offer to buy securities backed by assets such as trade receivables consistent with the APF's aim to purchase high-quality assets of broadly investment grade. The purpose of the Facility is to help improve the function of the private market by standing ready to make primary market purchases and by acting as a backstop for secondary market investors. Further details are published in a Market Notice today, available on the Bank's website at:

<http://www.bankofengland.co.uk/markets/marketnotice090730.pdf>

The Facility will be available from Monday, 3 August, although transactions will not take place until SCP programmes have been approved as eligible. SCP programme sponsors are encouraged to discuss the eligibility of their programmes with the Bank.

Notes for editors

1. The Asset Purchase Facility was announced by HM Treasury on 19 January 2009 and was followed by an exchange of letters between the Chancellor and the Governor published on 29 January. On 5 March, a further exchange of letters between the Chancellor and the Governor was published and are available on the Bank's website at: <http://www.bankofengland.co.uk/monetarypolicy/Pages/framework/framework.aspx>. These announced that the Bank planned to use the Asset Purchase Facility for monetary policy purposes as well as for improving the functioning of corporate credit markets. In addition, the letters confirmed that future purchases under the facility would be financed by central bank reserves.

2. The Asset Purchase Facility currently includes facilities to purchase high-quality commercial paper and corporate bonds. Further details on the Asset Purchase Facility are available on the Bank's website at: <http://www.bankofengland.co.uk/markets/apf/index.htm>

3. The consultative paper on the Secured Commercial Paper Facility dated 8 June 2009 is available on the Bank's website at: <http://www.bankofengland.co.uk/markets/apf/consultation090608.pdf>

Bank of England Market Notice: Asset Purchase Facility

Secured Commercial Paper Facility

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