



**BANK OF ENGLAND**

# News release

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05 November 2014

## **Widening access to the Sterling Monetary Framework: broker-dealers and central counterparties**


The Bank of England is today widening access to its Sterling Monetary Framework (SMF) to accept broker-dealers and central counterparties (CCPs).

The changes introduced today follow on from the Governor's commitment to widen access to the Bank's facilities, made at Mansion House on 12 June 2014. They are designed to recognise the important role played by broker-dealers and CCPs in the provision of critical financial services to the real economy. In providing these critical functions, both broker-dealers and CCPs are exposed to liquidity risk. As the supplier of the economy's most liquid asset, central bank money, the Bank is able to be a 'back-stop' provider of liquidity, and can therefore provide liquidity insurance to the financial system.

Specifically, from today, those broker-dealers deemed critical to the stability of the UK financial system (designated investment firms) and CCPs that operate in UK markets and are either authorised under EMIR or recognised by ESMA, are eligible to apply for participation in the SMF, including the Discount Window Facility.

These changes are set out in an updated version of the 'Red Book' which sets out the framework for the Bank's operations in the sterling money markets.

### **Notes to editors:**

1. The Red Book is available on the Bank's website:  
[The Bank's 'Red Book'](#)
2. Speech by Mark Carney, Governor of the Bank of England at the Lord Mayor's Banquet for Bankers and Merchants of the City of London at the Mansion House, London on 12 June 2014:  
 [Full Speech](#)
3. The legal terms and conditions and operating procedures for the framework are contained in the SMF Documentation:  
[Sterling Monetary Framework - Documentation](#)