



Standard features of Banque de France securities lending scheme

1. General principles

In accordance with the Governing Council decision to set up a securities lending facility to support market liquidity in the context of the Public Sector Purchase program (PSPP), Banque de France has implemented an operational scheme that aims at combining the following constraints:

- Not to curtail the regular functioning of the repo market;
- Avoid negative side effects of Banque de France's purchases on liquidity of underlying securities.

2. Characteristics

Banque de France implements a scheme with the following characteristics:

- **Type of operations:** repo/reverse repo transactions on a bilateral basis with matched cash settlements and repo transactions;
- **Eligible collateral:** eligible euro-denominated securities within Banque de France risk management framework and cash collateral for repo transactions.
- **Eligible counterparties:** primary dealers and active market participants on French sovereign debt securities fulfilling the requirements of the Banque de France risk management framework, including the signature of a repo agreement.
- **Maturities:** two standard maturities offered, 1 week and 1 month.
- **Maximum amount:** limit of 200 Mln nominal euros by counterparty on each ISIN.
- **Fail prevention:** while Banque de France intends to conduct these transactions according to standard settlement dates, T+0 transactions could be conducted, provided requests are received before noon. Pricing will be determined on the basis of prevailing market conditions.

The list of securities available for lending is published every Monday on BDF's page on Bloomberg and BDFPSPP1 on Reuters (quote).