



## ***Ministero dell'Economia e delle Finanze***

### **PRESS RELEASE**

#### **Launch of the repurchase agreements (Repo) activity. A new instrument for managing Treasury cash liquidity.**

The Ministry of Economy and Finance (MEF), as anticipated in the "Guidelines for Public Debt Management - 2021", announces that the repurchase agreements (Repo) activity will start on 24<sup>th</sup> of May.

The launch of the Repo project represents an important goal: it will facilitate the MEF in managing the Treasury's liquidity and it will enrich and complete the instruments already in use in the cash management activity. The Treasury can borrow or lend temporary liquidity in exchange of Italian government bonds used as collateral. Through the Repo operations, the MEF may also intervene to manage the consequences deriving from any situations of scarcity on the secondary market of specific securities, if this goal is in line with the primary one, i. e. that of cash management.

In order to carry out the Repo operations, the MEF will execute an ad hoc issuance of tranches of outstanding government bonds, aimed at establishing its own securities portfolio to be used exclusively in Repo operations, with settlement date on 24<sup>th</sup> of May. In particular, the outstanding amount of each BTP included in the portfolio will be increased by an amount of 1,000 million euros, considering that the total amount of the securities portfolio, to be used only for Repo operations, will be equal to 15,000 million euros. The detailed list of issued securities tranches and their respective amounts are displayed in the table annexed to this press release. In order to guarantee the continuity of the Repo activity, the portfolio will be updated when required, both to replace the securities that will expire and to adapt it to any possible specific cash management need, or secondary market liquidity conditions that may arise from time to time.

The securities in the said portfolio will not contribute to the formation of public debt until they are employed in Repo transactions.

The MEF will carry out the Repo operations through the MTS trading platform (MTS Repo) and therefore it could potentially execute trades with all participants to that market. Cassa Compensazione e Garanzia (CC&G) will guarantee the transactions as a Central Counterparty, while Monte Titoli as Central Securities Depository will carry out the custody and settlement operations. The two segments of the MTS Repo, General Collateral and Special Repo, will be both used by the MEF for the purposes mentioned above, such as cash management and the support to the secondary market.

Funding and lending operations will generally have maturities of at least one week, although shorter maturities based on specific fine-tuning needs are not excluded.

Moreover, the MEF will reserve the option of carrying out bilateral transactions (so-called Trade Registration) for which the MTS Repo platform will be used just for the settlement instructions, and, when specific agreements are put in place, these transactions can also be concluded without the Central Counterparty.

The MEF will benefit from the support of the Bank of Italy for a range of back office services, in particular the settlement service, in continuity with the consolidated collaborative relationship between the two institutions.

For more information a dedicated mail address “[repo.desk@mef.gov.it](mailto:repo.desk@mef.gov.it)”, managed by the Department of the Treasury, is available.

Please note that all official communications, FAQs and statistics relating to the Repo activity carried out by the MEF are available on the website of the Department of the Treasury, in the Public Debt section ([http://www.dt.mef.gov.it/en/debito\\_pubblico/index.html](http://www.dt.mef.gov.it/en/debito_pubblico/index.html)).

### Portfolio of Italian government bonds for Repo operations

<b>Bonds Type</b>	<b>Maturity Date</b>	<b>ISIN</b>	<b>Coupon</b>	<b>Amount of the tranche (mln €)</b>
BTP	15/06/2023	IT0005405318	0.60%	1,000
BTP	01/08/2023	IT0004356843	4.75%	1,000
BTP	01/10/2023	IT0005344335	2.45%	1,000
BTP	15/10/2023	IT0005215246	0.65%	1,000
BTP	15/11/2024	IT0005282527	1.45%	1,000
BTP	01/02/2025	IT0005386245	0.35%	1,000
BTP	01/12/2025	IT0005127086	2.00%	1,000
BTP	01/12/2026	IT0005210650	1.25%	1,000
BTP	01/06/2027	IT0005240830	2.20%	1,000
BTP	01/12/2028	IT0005340929	2.80%	1,000
BTP	01/08/2029	IT0005365165	3.00%	1,000
BTP	01/11/2029	IT0001278511	5.25%	1,000
BTP	01/03/2030	IT0005024234	3.50%	1,000
BTP	01/04/2030	IT0005383309	1.35%	1,000
BTP	01/05/2031	IT0001444378	6.00%	1,000
<b>Total</b>				<b>15,000</b>

Rome, May 17<sup>th</sup>, 2021