



HM TREASURY

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Information Rights Unit

Andrew: Smith

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By email: request-13672-
5b722378@whatdotheyknow.com

Ref: 9/546

22 July 2009

Dear Andrew: Smith

Freedom of Information Act 2000: Gilts

Thank you for your enquiry dated 23 June requesting information under the Freedom of Information Act 2000.

2. You asked for information covering –

what a gilt is, and what it offers as its 'security' or surety to the purchaser'.

3. Gilts are marketable sterling denominated bonds sold by the UK Debt Management Office (DMO) on behalf of the UK Government. Gilt holders are entitled to regular interest payments known as "coupons", which vary across the range of gilts issued by the Government. The gilt holder receives the principal upon redemption of the bond.

4. Moneys due under gilts are not secured in the sense described in your enquiry. In a similar way to corporate bonds, the security in a more general sense lies in the creditworthiness of the issuer. The British Government has never failed to make interest or principal payments on gilts as they fall due.

5. Further information regarding gilts can be found at the Debt Management Office's website: <http://www.dmo.gov.uk/>

6. If you have any queries about this letter, please contact me. It will be helpful to us if you remember to quote the reference number above in any future communications.

Paul Morran
Information Rights Unit



INVESTOR IN PEOPLE

Your right to complain under the Freedom of Information Act 2000

If you are not happy with this reply, you may request a review by writing to HM Treasury, Information Rights Unit, 2/S2, 1 Horse Guards Road, London SW1A 2HQ.

Email foi.responses@hm-treasury.gov.uk

Any review request must be made within 2 months of the date of this letter. It would assist our review if you set out which aspects of the reply concern you and why you are dissatisfied.

If you are not content with the outcome your complaint, you may apply directly to the Information Commissioner for a decision. Generally, the ICO cannot make a decision unless you have exhausted the complaints procedure provided by the Treasury. The Information Commissioner can be contacted at: The Information Commissioner's Office, Wycliffe House, Water Lane, Wilmslow, Cheshire SK9 5AF.