

June 15, 2026

General rules for entering into Sell-Buy-Back transactions by Bank Gospodarstwa Krajowego

1. **The goal for entering into Sell-Buy-Back transactions (SBB) by Bank Gospodarstwa Krajowego:** supporting the settlement system for Treasury bonds in case of temporary, significantly reduced availability of given bonds on secondary market due to demand exceeding supply. Transactions offered by BGK should not substitute nor supplement the SBB market, but provide support in case of disruptions, which cannot be overcome by the market itself. BGK would function as the last resort entity, to be approached by market participants in case of problems with Treasury bonds settlements.
2. **Entity offering SBB transactions:** Bank Gospodarstwa Krajowego.
3. **Eligible counterparties:** Treasury Securities Dealers (TSD) and Candidates for the function of TSD (Candidates), who have had authorized BGK - by submitting appropriate declaration - to disclose to the Ministry of Finance the details of transactions concluded between the BGK and TSD/Candidate.
4. **Transaction tenors:** 1 – 14 days.
5. **Mechanism of the system:** eligible counterparty enters simultaneously into two transactions with BGK:
 - a) „Sell-Buy-Back” transaction buying Treasury bonds of a given series,
 - b) „Buy-Sell-Back” (BSB) transaction being the collateral for transaction (a).
6. **Relationship between the number of bond purchased (a) and sold (b):** calculated using:
 - market prices of the bonds,
 - haircut of 1% of dirty price added to the price of transaction (a).
7. **Fee:** a difference between the interest rate set for transactions (a) and (b): 0.50 % pa.
8. **Securities eligible for SBB and BSB transactions:** all Treasury bonds denominated in PLN issued on auctions, except for:
 - bonds maturing within 21 days after the end date of the transaction,
 - bonds for which record day falls between the start date of the transaction and the eighth business day after end date of the transaction.
9. **Limit for SBB transactions:** PLN 1 bn, including PLN 0.5 bn for one series of Treasury bonds, for each bank for all transactions.
10. **Settlement days of SBB transactions:** T+0 (transactions done before 12 noon Warsaw time), T+1 and T+2.
11. **Sanctions for delayed settlement or no settlement of SBB transactions:** similar to current rules for delayed settlement of Treasury bonds switch auctions:
 - a) delay up to 5 days – contractual penalty based on the lombard rate,
 - b) withdrawal from the transaction after 5 days – compensation based on the doubled lombard rate,
 - c) sanctions stipulated in the regulations for TSDs in case of violation of obligation to duly fulfill duties resulting from the participation in the depository systems.

12. **Modification of SBB transactions' parameters:** The limit of transactions for each bank, the fee and haircut level may change subject to market situation. In justified cases the possibility to enter SBB transactions with BGK may be suspended.
13. **Detailed conditions of entering into SBB transactions with BGK will be published on the BGK's webpage.**