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The EU to use the TELSAT platform by Banque de France for its securities auctions as of September 2021

The European Union has decided to use the auction system TELSAT operated by Banque de France for its EU-Bills and part of its long-term EU-Bonds. This decision provides the Commission with access to “state-of-the-art” infrastructure for its auctions, which will start in September 2021.

Banque de France has developed and refined a web-based application called Telsat dedicated to auctions. This auction system has been exploited for many years to ensure the operational execution of the auctions made by the Agence France Trésor on the French State’s debt. The Telsat system is a dedicated and highly secure remote bidding system for Primary Dealers to submit their bids and for the issuer to allocate securities.

The European Commission – the EU’s executive arm – will issue, on behalf of the EU – up to around €800 billion between now and end-2026, to finance the EU’s recovery under the NextGenerationEU instrument. This translates into borrowing volumes of on average roughly €150 billion per year.

On 14 April 2021, the European Commission outlined its plans to use a diversified funding strategy to carry out the NextGenerationEU borrowing operations. The choice of an auction platform is an important step in the implementation of this strategy.

Ivan Odonnat, Deputy Director General, Financial Stability and Operations, Banque de France: *“The NextGenerationEU borrowing is a game changer for European capital markets. Through this business partnership with the European Commission, we aim to bring our experience and expertise to provide with the needed support for the practical organization of security auctions.”*

Contact Presse :

Service de la Communication externe et digitale : 01 42 92 39 00 – presse@banque-france.fr