

# Press Release

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October 29, 2008

## Federal Reserve, Banco Central do Brasil, Banco de Mexico, Bank of Korea, and Monetary Authority of Singapore announce the establishment of temporary reciprocal currency arrangements

For release at 3:30 p.m. EDT

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Today, the Federal Reserve, the Banco Central do Brasil, the Banco de Mexico, the Bank of Korea, and the Monetary Authority of Singapore are announcing the establishment of temporary reciprocal currency arrangements (swap lines). These facilities, like those already established with other central banks, are designed to help improve liquidity conditions in global financial markets and to mitigate the spread of difficulties in obtaining U.S. dollar funding in fundamentally sound and well managed economies.

### **Federal Reserve Actions**

In response to the heightened stress associated with the global financial turmoil, which has broadened to emerging market economies, the Federal Reserve has authorized the establishment of temporary liquidity swap facilities with the central banks of these four large and systemically important economies. These new facilities will support the provision of U.S. dollar liquidity in amounts of up to \$30 billion each by the Banco Central do Brasil, the Banco de Mexico, the Bank of Korea, and the Monetary Authority of Singapore.

These reciprocal currency arrangements have been authorized through April 30, 2009.

The FOMC previously authorized temporary reciprocal currency arrangements with ten other central banks: the Reserve Bank of Australia, the Bank of Canada, Danmarks Nationalbank, the Bank of England, the European Central Bank, the Bank of Japan, the Reserve Bank of New Zealand, the Norges Bank, the Sveriges Riksbank, and the Swiss National Bank.

### **IMF Announcement**

Separately, the Federal Reserve welcomes the announcement today by the International Monetary Fund of the establishment of the Short-Term Liquidity Facility, which is designed to help member countries that are facing temporary liquidity problems in the global capital markets. The Federal Reserve is supportive of the IMF's role in helping countries address and resolve their ongoing economic and financial difficulties.

### **Information on Related Actions Being Taken by Other Central Banks and by the IMF**

Information on the actions that will be taken by central banks and by the International Monetary Fund is available at the following websites:

[Banco Central do Brasil](#)

[Banco de Mexico](#) 

[Bank of Korea](#) 

[Monetary Authority of Singapore](#)

[International Monetary Fund](#) 

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## Related Federal Reserve Announcements

September 18

[Coordinated measures with Bank of Canada, Bank of England, ECB, Bank of Japan, and Swiss National Bank](#)

September 24

[Arrangements with Reserve Bank of Australia, Danmarks Nationalbank, Norges Bank, and Sveriges Riksbank](#)

September 26

[Federal Reserve and other central banks announce operations to address funding pressures over quarter end](#)

September 29

[Federal Reserve and other central banks announce further coordinated actions to expand significantly the capacity to provide U.S. dollar liquidity](#)

October 13, 2008

[Federal Reserve and other central banks announce further measures to provide broad access to liquidity and funding to financial institutions](#)

October 14, 2008

[FOMC authorizes an increase in the size of its temporary reciprocal currency arrangement with the Bank of Japan](#)

October 28, 2008

[Federal Reserve and Reserve Bank of New Zealand announce the establishment of temporary reciprocal currency arrangement](#)

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