Press Release

September 24, 2008

Federal Reserve and other central banks announce additional measures to address elevated pressures in funding markets

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Today, the Federal Reserve, the Reserve Bank of Australia, the Danmarks Nationalbank, the Norges Bank, and the Sveriges Riksbank are announcing the establishment of temporary reciprocal currency arrangements (swap lines) to address elevated pressures in U.S. dollar short-term funding markets. These facilities, like those already in place with other central banks, are designed to improve liquidity conditions in global financial markets. Central banks continue to work together during this period of market stress and are prepared to take further steps as the need arises.

Federal Reserve Actions
The Federal Open Market Committee has authorized the establishment of new swap facilities with the Reserve Bank of Australia, the Sveriges Riksbank, the Danmarks Nationalbank, and the Norges Bank. These new facilities will support the provision of U.S. dollar liquidity in amounts of up to $10 billion each by the Reserve Bank of Australia and the Sveriges Riksbank and in amounts of up to $5 billion each by the Danmarks Nationalbank and the Norges Bank.

In sum, these new facilities represent a $30 billion addition to the $247 billion previously authorized temporary reciprocal currency arrangements with other central banks: European Central Bank ($110 billion), Bank of Japan ($60 billion), Bank of England ($40 billion), Swiss National Bank ($27 billion), and Bank of Canada ($10 billion).

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

Information on Related Actions Being Taken by Other Central Banks
Information on the actions that will be taken by other central banks is available at the following websites:

Reserve Bank of Australia
Danmarks Nationalbank (National Bank of Denmark) (54 KB PDF) ↪
Norges Bank (Bank of Norway) ↪
Sveriges Riksbank (Bank of Sweden) ↪

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