

Press Release

October 14, 2008

FOMC authorizes an increase in the size of its temporary reciprocal currency arrangement with the Bank of Japan

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The Federal Open Market Committee has authorized an increase in the size of its temporary reciprocal currency arrangement (swap line) with the Bank of Japan, so that the Bank of Japan can provide U.S. dollar funding in quantities sufficient to meet demand.

Following on the joint announcement by central banks on October 13, the Bank of Japan announced Tuesday that it will conduct tenders of U.S. dollar funding for full allotment at pre-announced fixed rates. As in Europe, counterparties in Japan will be able to borrow any amount they wish against appropriate collateral.

Accordingly, the size of the swap line between the Federal Reserve and the Bank of Japan will be increased to accommodate whatever quantity of U.S. dollar funding is demanded. On October 13, the Federal Reserve made the same [announcement](#) with respect to its swap lines with the Bank of England, European Central Bank, and Swiss National Bank.

These arrangements have been authorized through April 30, 2009.

Information on the action by the Bank of Japan is available at its website:

[Bank of Japan](#) 

Last Update: October 14, 2008