

Press Release

September 18, 2008

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

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Today, the Bank of Canada, the Bank of England, the European Central Bank (ECB), the Federal Reserve, the Bank of Japan, and the Swiss National Bank are announcing coordinated measures designed to address the continued elevated pressures in U.S. dollar short-term funding markets. These measures, together with other actions taken in the last few days by individual central banks, are designed to improve the liquidity conditions in global financial markets. The central banks continue to work together closely and will take appropriate steps to address the ongoing pressures.

Federal Reserve Actions

The Federal Open Market Committee has authorized a \$180 billion expansion of its temporary reciprocal currency arrangements (swap lines). This increased capacity will be available to provide dollar funding for both term and overnight liquidity operations by the other central banks.

The FOMC has authorized increases in the existing swap lines with the ECB and the Swiss National Bank. These larger facilities will now support the provision of U.S. dollar liquidity in amounts of up to \$110 billion by the ECB, an increase of \$55 billion, and up to \$27 billion by the Swiss National Bank, an increase of \$15 billion.

In addition, new swap facilities have been authorized with the Bank of Japan, the Bank of England, and the Bank of Canada. These facilities will support the provision of U.S. dollar liquidity in amounts of up to \$60 billion by the Bank of Japan, \$40 billion by the Bank of England, and \$10 billion by the Bank of Canada.

All of 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:

[Bank of Canada](#)  

[Bank of England](#)  

[European Central Bank](#)  

[Bank of Japan \(57 KB PDF\)](#) 

[Swiss National Bank \(58 KB PDF\)](#)  

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