



Bank of Canada Announces New Program to Support Provincial Funding Markets

Notice - Tuesday, March 24, 2020, 14:30 (ET)

The Bank of Canada today announced a new program to support the liquidity and efficiency of provincial government funding markets. The Provincial Money Market Purchase (PMMP) program is an asset purchase facility that will acquire provincially-issued money market securities through the primary issuance market. This program will support a liquid and well-functioning market for short-term provincial borrowing.

Under the PMMP, the Bank will purchase up to 40 percent of each offering of directly-issued provincial money market securities with terms to maturity of 12 months or less. This includes treasury bills and short-term promissory notes of all Canadian provinces. The 40 percent limit may be adjusted if market conditions warrant.

The Bank will make its first purchases under the PMMP on Wednesday, March 25. This facility, combined with the Bank's other recent actions, will provide a material amount of support to provincial funding markets.

The Bank of Canada continues to closely monitor global and domestic market developments and remains committed to providing all the liquidity the financial system needs so that it can continue to serve Canadians during this period of economic stress.

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Content Type(s): **Press, Market notices**

Source(s): **Provincial Money Market Purchase Program**