



Bank of Canada Temporarily Expands List of Securities Eligible for Term PRA Transactions

Notice - Wednesday, December 12, 2007, 09:00 (ET)

Today, the Bank of Canada, the Bank of England, the European Central Bank, the Federal Reserve, and the Swiss National Bank are announcing measures designed to address elevated pressures in short-term funding markets.

As part of its continuing provision of liquidity in support of the efficient functioning of financial markets, the Bank of Canada announced today that it will enter into term purchase and resale agreements (term PRA) extending over the calendar year-end as follows:

Amount	Transaction and Settlement	Maturity
\$2 billion	13 December 2007	10 January 2008
Minimum of \$1 billion	18 December 2007	4 January 2008

The list of eligible securities for these transactions is comprised of the following ¹:

- Securities issued by the Government of Canada
- Securities guaranteed by the Government of Canada (this category includes Canada Mortgage Bonds and NHA mortgage-backed securities with a minimum pool size of \$75 million)
- Securities issued or guaranteed by a provincial government
- Bankers' acceptances and bearer deposit notes, having a remaining term to maturity not exceeding one hundred and eighty days

Securities used in the term PRA transactions will be subject to the same margin requirements as those applicable in SLF transactions.

These transactions will temporarily add assets to the Bank of Canada's balance sheet, offsetting the anticipated seasonal increase in the demand for bank notes.

The total amount of assets acquired on any day through term PRA operations will be announced on the Bank's web site by 4:45 p.m. (ET). The assets will also be reported on the Bank of Canada's balance sheet.

The case for further operations will be reviewed in light of conditions in the money market.

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 England
European Central Bank
Federal Reserve System
Swiss National Bank

Related Statements by Other Central Banks

Bank of Japan
Swedish Riksbank

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

Footnotes

1. In accordance with paragraphs 18(c), 18(g) and 18(k) of the Bank of Canada Act and subject to the restrictions in those paragraphs [[←](#)]