

Publications and Research

Notices and Announcements

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Bank of Canada Announces Swap Facility with U.S. Federal Reserve as part of Coordinated Central Bank Actions

NOTICE – Thursday, 18 September 2008, 3:00 (ET)

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. These central banks continue to work together closely and will take appropriate steps to address the ongoing pressures.

Bank of Canada Action

The Bank of Canada and the Federal Reserve have agreed on a US\$10 billion swap facility (reciprocal currency arrangement) to be accessed, should the need arise, to provide U.S.-dollar liquidity in Canada. If drawn on by the Bank of Canada, the swap would provide liquidity facilities for use by financial institutions in Canada that are similar in nature to those being announced today by the other central banks. This swap facility expires on 30 January 2009.

This agreement provides the Bank of Canada with additional flexibility to address rapidly evolving developments in financial markets. The Bank judges that it is not necessary for it to draw on this swap facility at this time, but that it is prudent to have the agreement in place. Should the swap be drawn on, the details of the liquidity facilities provided would depend on the specific market circumstances at the time.

The Bank of Canada continues to closely monitor global market developments and remains committed to providing liquidity as required to support the stability of the Canadian financial system and the functioning of financial markets.

Information on Related Actions Being Taken by Other Central Banks

Information on the actions taken by other central banks is available at the following websites.

[Bank of England](#)

[European Central Bank](#)

[Federal Reserve System](#)

[Bank of Japan](#)

[Swiss National Bank](#)

For further information, please contact:

Jeremy Harrison

613 323-1402

or

Jill Vardy

613 782-7980

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