

# FEDERAL RESERVE BANK of NEW YORK *Serving the Second District and the Nation*

About the New York Fed

Markets & Policy Implementation

Economic Research

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## Central Bank Swap Arrangements

The New York Fed is authorized by the Federal Open Market Committee (FOMC) to maintain swap arrangements with certain foreign central banks.

### Central Bank Liquidity Swap Lines

The Federal Reserve has standing liquidity swap lines in place since October 31, 2013, with the Bank of Canada, the Bank of England, the Bank of Japan, the European Central Bank, and the Swiss National Bank. Specifically, two types of liquidity swap lines were established to improve liquidity conditions in money markets in the United States and abroad during times of market stress:

- U.S.-dollar liquidity swap lines operate by providing foreign central banks with the capacity to deliver U.S.-dollar funding to institutions in their jurisdictions.
- Foreign-currency liquidity swap lines operate by providing the Federal Reserve with the capacity to offer liquidity to U.S. institutions in currencies of the counterparty central banks (that is, in Canadian dollars, sterling, yen, euros, and Swiss francs).

#### + SWAP ARRANGEMENTS DOCUMENTATION

The New York Fed undertakes certain small value transactions from time to time for the purpose of testing operational readiness. The results of small value exercises of the central bank liquidity swap lines are published weekly.

### North American Framework Agreement Swap Lines

In 1994, the New York Fed entered into bilateral currency swap lines (also referred to as reciprocal currency arrangements) of \$2 billion with the Bank of Canada and \$3 billion with the Bank of Mexico for the purpose of promoting orderly currency exchange markets. These lines were established under the North American Framework Agreement (NAFA). Mexico also has a \$9 billion NAFA swap line with the U.S. Treasury, which the New York Fed manages as fiscal agent of the United States as directed by the U.S. Treasury.

### Data

Central Bank Liquidity Swap Operations  
Includes results for the past week's operations, all past operations and small value transactions conducted to test operational readiness.

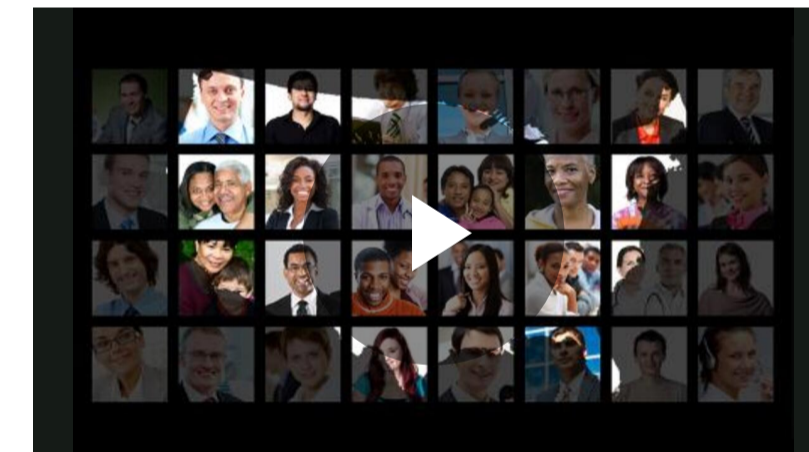
### Reports

Quarterly Report on Treasury and Federal Reserve Foreign Exchange Operations

### Videos



Central Bank Swap Arrangements, Explained



Why Swap Lines Are in the U.S. National Interest (2012)

### Liberty Street Economics Blog



Have the Fed Swap Lines Reduced Dollar Funding Strains during the COVID-19 Outbreak?

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