

# Further enhancements to the Bank of England's liquidity insurance facilities


The Bank of England is today announcing a new Liquidity Facility in Euros (LiFE), under which it will offer to lend euros on a weekly basis.

Published on 05 March 2019

## News release

---

The Bank of England is today announcing a new Liquidity Facility in Euros (LiFE), under which it will offer to lend euros on a weekly basis.

As set out in the [November 2018 Financial Stability Report](#) , the Bank stands ready to provide liquidity in all major currencies. Today's announcement is a prudent and precautionary step, consistent with the Bank's financial stability objective, to provide additional flexibility in the Bank's provision of liquidity insurance in coming weeks, supporting the functioning of markets that serve households and businesses.

In these operations, eligible banks and building societies that are members of the Sterling Monetary Framework will be able to borrow in euros from the Bank of England. These operations will complement the existing weekly US dollar repo facility as well as the move to weekly sterling operations (Indexed Long-Term Repos — ILTRs) announced on Tuesday 26 February.

The transactions will be facilitated by the activation of the standing swap line between the Bank of England and the European Central Bank as part of the existing international network of standing swap lines which provide an important tool for central banks in pursuit of their financial stability objectives.

The first weekly operation will be on 13 March and operations will run until further notice. The Bank will continue to monitor market conditions carefully and keep its operations, including their frequency, under review.


An accompanying Market Notice provides additional detail and the terms of this operation.

## Notes to editors:

---

- The Bank of Canada, the Bank of England, the Bank of Japan, the European Central Bank, the Federal Reserve, and the Swiss National Bank have a network of bilateral swap lines. These standing arrangements allow for the provision of liquidity in each jurisdiction in any of the five currencies in the network, should the two central banks in a particular bilateral swap arrangement judge that such action in one of their currencies is warranted. In addition to the new euro facility, the Bank of England already offers each week to lend US dollars funded by the Bank's standing swap line with the Federal Reserve. For further information see [Bank of England Market Operations Guide](#).
- In this facility, the Bank will lend cash in exchange for other, less liquid assets (collateral) for a

term of a week. The Bank will only accept collateral of sufficient quality and quantity to protect itself fully from counterparty credit risk.

- See [The Market Notice](#).
- See the [European Central Bank's accompanying press release](#) .
- On Tuesday 26 of February, the Bank of England announced that it has increased the frequency of its sterling liquidity operations from March until end April. See [Additional Indexed Long-Term Repo operations](#).