



Bank of Canada Liquidity Facilities

	Term PRA	Term PRA for Private Sector Money Market Instruments**	Term PRA for Private Sector Instruments	Term Loan Facility
Important Dates	Announced 12 December 2007; effective 13 December 2007; discontinued 12 April 2010	Announced 14 October 2008; effective 27 October 2008; discontinued 16 March 2009	Announced 23 February 2009; effective 16 March 2009; discontinued 27 October 2009	Announced November 12, 2008; effective 19 November 2008; discontinued 28 October 2009.
Purpose	Temporary facility to provide liquidity in support of the efficient functioning of financial markets and modified on 21 April 2009 to also reinforce the BoC's conditional statement regarding the expected future path of the overnight target rate.	Temporary facility to support liquidity in private-sector money market instruments. This facility was replaced by the Term PRA Facility for Private Sector Instruments.	Temporary facility to support liquidity in markets for private-sector instruments.	Temporary term loan facility to give LVTS participants increased flexibility in the management of their balance sheets and to improve conditions in money and credit markets.
Eligible Participants	Canadian Primary Dealers (PDs) in Government of Canada securities and direct participants in Large Value Transfer System (LVTS)	PDs on a direct basis and money market participants on an indirect basis who can demonstrate significant activity in the Canadian dollar private sector money markets and who are subject to Federal or Provincial regulation	Institutions that can demonstrate significant activity in the Canadian private-sector money and/or bond markets and that are subject to Federal or Provincial regulation on an indirect basis that are not eligible for the Regular Term PRA.	Direct Participants in the Large Value Transfer System (LVTS)
Eligible Securities*	Securities issued or guaranteed by the Government of Canada; securities issued or guaranteed by a provincial government; bankers' acceptances (BAs) and promissory notes; commercial paper (CP) and short-term municipal paper; Asset-Backed Commercial Paper (ABCP) that meets the BoC's eligibility criteria; corporate and municipal bonds. On a temporary basis: affiliated ABCP that meets the BoC's criteria. Securities are subject to credit and other criteria	BAs, CP, ABCP that meets the BoC's eligibility criteria, promissory notes. Securities are subject to credit and other criteria	BAs, CP, ABCP that meets the BoC's eligibility criteria, promissory notes, corporate bonds. Securities are subject to credit and other criteria	Canadian-dollar non-mortgage loan portfolios, subject to credit and other criteria.
Haircuts	Link to Haircut Policy	Link to Haircut Policy	Link to Haircut Policy	Link to Haircut Policy
Pricing and Type of Auction	Multiple yield competitive auction for a fixed par Canadian dollar amount. Introduced minimum and maximum bid rates on April 21, 2009. Minimum bid rate: lower end of the operating band (deposit rate), maximum bid rate: upper end of operating band (Bank Rate).	Multiple yield competitive auction for a fixed par Canadian dollar amount, subject to a minimum bid rate set at a spread of 75 bps over the average of the Bank of Canada's overnight rate target and the 1-month OIS rate as observed by the Bank.	Multiple yield competitive auction for a fixed par Canadian dollar amount, subject to a minimum bid rate set at a spread of 25 bps over the target overnight rate.	Single-price auction for a fixed Canadian dollar amount. Minimum bid rate: Bank Rate. All winning bids paid the minimum accepted yield.
Term	1, 3, 6, 9 and 12 months	2 weeks	1 and 3 months	1 month
Frequency	Various - Weekly, bi-weekly, and monthly	Weekly	Weekly	Weekly
Historical Transactions	13 December 2007 - 12 April 2010	27 October, 2008 - 9 March 2009	17 March 2009 - 27 October 2009	19 November 2008 - 28 October 2009
Terms and Conditions	Terms and conditions	Terms and conditions	Terms and conditions	Terms and conditions
Links to relevant background information	<ul style="list-style-type: none"> Bank of Canada Temporarily Expands List of Securities Eligible for Term PRA Transactions Bank of Canada Announces New Schedule for the Bank of Canada Regular Term PRA Facility Commencing the Week of 27 April 2009 Terms and Conditions of the Term Purchase and Resale Agreement (PRA) Facility Reflecting the continued improvement in market conditions, the Bank of Canada announces changes to its Temporary Liquidity Facilities 	<ul style="list-style-type: none"> As Part of the G7 Action Plan, Bank of Canada Introduces New Measures to Provide Liquidity to the Canadian Financial System 	<ul style="list-style-type: none"> Bank of Canada Announces New Term PRA Facility for Private Sector Instruments Bank of Canada Announces Final Details for the New Term PRA Facility for Private Sector Instruments Terms and Conditions for the Term Purchase and Resale Agreement (PRA) Facility for Private Sector Instruments Reflecting the continued improvement in market conditions, the Bank of Canada announces changes to its Temporary Liquidity Facilities 	<ul style="list-style-type: none"> Bank of Canada Introduces Further Measure to Provide Liquidity to the Canadian Financial System Terms and Conditions for Term Loan Facility (TLF) Reflecting the continued improvement in market conditions, the Bank of Canada announces changes to its Temporary Liquidity Facilities

[Please consult our glossary of terms for further details](#)

[*Full details regarding eligible securities can be found following this link](#)

**As of 16 March 2009, this facility was discontinued and replaced with the Term PRA for Private Sector Instruments.

	Sales and Repurchase Agreements (SRAs)/Special Purchase and Resale Agreements (SPRAs)	Overnight Standing Purchase and Resale Agreement (PRA) Facility	Standing Liquidity Facility (SLF)	Emergency Lending Assistance (ELA)
Important Dates	Used since mid-1994	21 April 2009		
Purpose	Permanent tool of the Bank of Canada's (BoC) standard operating framework for the implementation of monetary policy. Used to reinforce the target overnight rate at the mid-point of the operating band. Under the effective lower bound (ELB), SRAs would be used to reinforce the target overnight rate, which is the lower end of the operating band.	This facility provides a funding backstop to Primary Dealers, similar to the Standing Liquidity Facility for LVTS participants.	Permanent facility as part of the BoC's operating framework for the implementation of monetary policy and of the BoC's Lender-of-Last-Resort (LLR) framework. This facility aims to support settlement in the payments system by providing collateralized, overnight loans to direct participants in the LVTS who are experiencing temporary shortfalls in their settlement balances.	Permanent facility, part of the BoC's LLR framework. This facility provides extraordinary credit support to solvent institutions that are facing serious and persistent liquidity problems.
Eligible Participants	Primary Dealers (PDs) for Government of Canada securities	PDs for Government of Canada securities	Direct participants in the LVTS	Federally incorporated deposit-taking institutions that are CPA members that are solvent but face persistent liquidity problems and, in the case of an extraordinary and widespread event that would have significant adverse consequences for a provincial credit union or caisse populaire system, the Credit Union Central of Canada, a provincial credit union central, the Caisse centrale Desjardins, or the Federation des caisses Desjardins.
Eligible Collateral/Securities	Government of Canada securities	Government of Canada securities	Securities issued or guaranteed by the Government of Canada, Government of Canada stripped coupons and residuals, securities issued or guaranteed by a provincial government, BAs and promissory notes, CP and short-term municipal paper, corporate, municipal and foreign-issuer bonds, marketable securities issued by the US Treasury, ABCP that meets the BoC's eligibility criteria, and Special Deposit Accounts held at the Bank. Canadian-dollar non-mortgage loan portfolios (NMLP) with a limit of 20% of total collateral pledged *. Securities are subject to credit and other criteria	The BoC is willing to accept a broader range of collateral than for the SLF, including the Canadian-dollar non-mortgage loan portfolios, subject to credit and other criteria.
Haircuts	Link to Haircut Policy	Link to Haircut Policy	Link to Haircut Policy	Link to Haircut Policy
Pricing	Overnight Target Rate	Bank Rate	Bank Rate	Minimum rate is the Bank Rate
Term	Overnight	Overnight	Overnight	Maximum term to maturity: 6 months
Frequency	As required	Standing Facility	Standing Facility	As approved by BoC. Actual use is very rare.
Links to relevant background information	<ul style="list-style-type: none"> The Bank of Canada's Target for the Overnight Interest Rate Policy Implementation Framework The Implementation of Monetary Policy in Canada 	<ul style="list-style-type: none"> Operating Framework for the Implementation of Monetary Policy at the Effective Lower Bound for the Overnight Interest Rate Terms and Conditions of the Overnight Standing Purchase and Resale Agreement (PRA) Facility Re-Establishment of the Standard Operating Framework for the Implementation of Monetary Policy 	<ul style="list-style-type: none"> Bank of Canada Lender-of-Last-Resort Policies The Implementation of Monetary Policy in Canada Securities Eligible as Collateral under the Bank of Canada's Standing Liquidity Facility Rules Governing Advances to Financial Institutions Bank of Canada initiative to allow substitution of Canadian-dollar non-mortgage loan portfolio for current LVTS collateral Changes to Policy Regarding the Non-Mortgage Loan Portfolio as Collateral for the Bank of Canada's Standing Liquidity Facility (SLF) 	<ul style="list-style-type: none"> Bank of Canada Lender-of-Last-Resort Policies Rules Governing Advances to Financial Institutions

* From 20 October 2008 to 1 February 2010, Canadian-dollar NMLPs were accepted as eligible collateral on a temporary basis, with no limit. When NMLPs became eligible on a permanent basis (as announced in November 2009), a transition period was implemented so that the limit would be gradually reduced from 100 per cent to 20 per cent of the total value of the collateral pledged.

The Bank of Canada and the U.S. Federal Reserve agreed to a US\$30 billion FX Swap Facility in order to ensure access to U.S. dollar liquidity for Canadian financial institutions.

- This swap facility, originally announced on [18 September 2008](#), was expanded on [29 September 2008](#).
- Initially set to expire on 30 April 2009, the swap facility was extended twice, ultimately expiring on [1 February 2010](#).
- The facility was [re-established](#) on 9 May 2010 and extended twice, and set to expire [1 August 2012](#).
- On [30 November 2011](#), the Bank of Canada and the Federal Reserve agreed again to extend the facility through 1 February 2013; the Bank of Canada also joined five other central banks in a coordinated action to establish temporary bilateral liquidity FX swap arrangements.
- To date, the Bank of Canada has not drawn on these facilities.

See also:

- [U.S. Dollar - Canadian Dollar Swap Agreement Dated as of May 17, 2010](#)
- [CAD-USD Swap Agreement Dated as of December 20, 2011](#)