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## Central banks convert temporary swap arrangements to standing arrangements

The Bank of Canada, the Bank of England, the Bank of Japan, the European Central Bank, the Federal Reserve, and the Swiss National Bank announced on Thursday that their existing temporary bilateral liquidity swap arrangements are being converted to standing arrangements, that is, arrangements that will remain in place until further notice.

The standing arrangements will constitute a network of bilateral swap lines among the six central banks. These arrangements allow for the provision of liquidity in each jurisdiction in any of the five currencies foreign to that jurisdiction, should the two central banks in a particular bilateral swap arrangement judge that market conditions warrant such action in one of their currencies.

The existing temporary swap arrangements have helped to ease strains in financial markets and mitigate their effects on economic conditions. The standing arrangements will continue to serve as a prudent liquidity backstop.

### Swiss National Bank action

The Swiss National Bank (SNB) has decided, in cooperation with other central banks, to convert the precautionary and temporary network of reciprocal swap lines into a standing arrangement. This action will allow the SNB to provide Swiss francs to these central banks when required, as well as enabling the SNB to provide liquidity to Swiss banks, should it be needed, in Canadian dollars, British pounds, Japanese yen, and euros (in addition to the existing operations in US dollars). Up to now there was no need to activate those swap lines.

The SNB intends to continue offering US dollar liquidity-providing repo operations at terms of one week and three months until further notice. Further information about the US dollar

**Press release**

operations and the technical requirements are posted on the SNB website ([www.snb.ch/en/ifor/finmkt/id/finmkt\\_usdollars](http://www.snb.ch/en/ifor/finmkt/id/finmkt_usdollars)).

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

Bank of Canada: [www.bankofcanada.ca](http://www.bankofcanada.ca)

Bank of England: [www.bankofengland.co.uk](http://www.bankofengland.co.uk)

Bank of Japan: [www.boj.or.jp/en](http://www.boj.or.jp/en)

European Central Bank: [www.ecb.int](http://www.ecb.int)

Federal Reserve System: [www.federalreserve.gov](http://www.federalreserve.gov)