Press Release

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For release at 5:00 p.m. EDT

Today, the Federal Reserve and the Reserve Bank of New Zealand are announcing the establishment of a temporary reciprocal currency arrangement (swap line) to address ongoing, elevated pressures in U.S. dollar short-term funding markets. This facility, like those already established with other central banks, is designed to help improve liquidity conditions in global financial markets.

Federal Reserve Actions
The Federal Open Market Committee has authorized the establishment of a new swap facility with the Reserve Bank of New Zealand that will support the provision of U.S. dollar liquidity in amounts of up to $15 billion. This reciprocal currency arrangement has been authorized through April 30, 2009.

The FOMC previously authorized temporary reciprocal currency arrangements with nine other central banks: the Reserve Bank of Australia, the Bank of Canada, Danmarks Nationalbank, the Bank of England, the European Central Bank, the Bank of Japan, the Norges Bank, the Sveriges Riksbank, and the Swiss National Bank.

Information on Related Actions Being Taken by Other Central Banks
Information on the actions that will be taken by the Reserve Bank of New Zealand is available at the following website:

Reserve Bank of New Zealand

Related Federal Reserve Announcements
September 18
September 24
Arrangements with Reserve Bank of Australia, Danmarks Nationalbank, Norges Bank, and Sveriges Riksbank
September 26
Federal Reserve and other central banks announce operations to address funding pressures over quarter end
September 29
Federal Reserve and other central banks announce further coordinated actions to expand significantly the capacity to provide U.S. dollar liquidity
October 13, 2008
Federal Reserve and other central banks announce further measures to provide broad access to
liquidity and funding to financial institutions
October 14, 2008
FOMC authorizes an increase in the size of its temporary reciprocal currency arrangement with the Bank of Japan