

# US Dollar Liquidity Facility

The following is issued on behalf of the Hong Kong Monetary Authority:

The Hong Kong Monetary Authority (HKMA) announced today (July 30) the extension of the temporary US Dollar Liquidity Facility to March 31, 2021.

On March 31, 2020, the United States Federal Reserve (Federal Reserve) announced the establishment of a temporary repurchase agreement facility for foreign and international monetary authorities (FIMA Repo Facility) to help alleviate tightness in the global US dollar interbank money markets amid volatilities and uncertainties in the global financial markets brought about by the spread of COVID-19. In April, the HKMA launched the temporary US Dollar Liquidity Facility using the funds obtained through the FIMA Repo Facility, in order to provide licensed banks with an additional channel to obtain US dollar liquidity. Considering the Federal Reserve's [decision](#) last night (July 29, US time) to extend the FIMA Repo Facility to March 31, 2021, the HKMA has decided to extend the temporary US Dollar Liquidity Facility accordingly. While the US dollar funding market in Hong Kong is working smoothly, the Facility will continue to provide a backstop in case there is unexpected market tightness.

The operational parameters of the temporary US Dollar Liquidity Facility will remain unchanged. A total of US\$10 billion is currently available to banks under the Facility in the form of repurchase transactions for a term of seven days through competitive tenders held by the HKMA every week.