

# US Dollar Liquidity Facility

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

The Hong Kong Monetary Authority (HKMA) announced today (April 22) the introduction of a temporary US Dollar Liquidity Facility (the Facility) to make available US dollar liquidity assistance for licensed banks.

Amid considerable volatilities and uncertainties in the global financial markets brought about by the spread of COVID-19, the HKMA uses the funds obtained through the United States Federal Reserve's (Federal Reserve) FIMA Repo Facility (Note) to introduce the Facility to help alleviate tightness in the global US dollar interbank money markets.

A total of US\$10 billion is currently available under the Facility. US dollar liquidity will be provided to licensed banks through competitive tenders in the form of repurchase transactions for a term of seven days, settled on the day following the tender. Starting from May 6, 2020, the HKMA will conduct a tender every week (normally on Wednesday). In each tender each bank may submit one valid bid, which must be at least US\$100 million and an integral multiple of US\$100 million. The HKMA will contact the banks with successful bids to confirm and arrange transfer of eligible assets as collateral to the HKMA. Allotments are subject to successful transfer of collateral to the HKMA and successful transfer of US dollar liquidity from the Federal Reserve to the HKMA. Tender notices and tender results will be published on a designated page on the HKMA website. The names of banks participating in the tenders or those allotted with funds, and individual allotment amounts will not be disclosed.

The HKMA may at any time revise any of the parameters of the Facility as necessary, taking into account factors such as market conditions and the use of the Facility. The HKMA's intention is to maintain the Facility until September 30, 2020, and will make a separate announcement if the end date changes.

Note: Details can be found on the Federal Reserve's announcement about the [FIMA Repo Facility](#).