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Monetary Authority of Singapore

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Monetary Authority of Singapore Announces Swap Facility with U.S. Federal Reserve as part of Coordinated Central Bank Actions

Singapore, 30 October 2008.... Today, the Federal Reserve, the Banco Central do Brasil, the Banco de Mexico, the Bank of Korea, and the Monetary Authority of Singapore (MAS) are announcing the establishment of temporary reciprocal currency arrangements (swap lines). These facilities, like those already established with other central banks, are designed to help improve liquidity conditions in global financial markets and to mitigate the spread of difficulties in obtaining U.S. dollar funding in fundamentally sound and well-managed economies.

Monetary Authority of Singapore and Federal Reserve Swap Facility

2 The Federal Reserve and the MAS are establishing a swap facility that will provide U.S. dollar liquidity of up to US\$30 billion. Given the international character of financial markets in Singapore, MAS deems it prudent to join the group of central banks¹ that have established swap facilities with the Federal Reserve. This is a precautionary measure to reassure financial institutions in Singapore, most of which have global operations, that they have access to U.S. dollar liquidity. MAS judges that it is not necessary to draw on the swap facility at this time, but will continually assess the need as global conditions develop. The swap facility with the Federal Reserve has been authorised through 30 April 2009.

3 The U.S. dollar swap facility will enhance the robustness of the Asian Dollar Market for U.S. dollar funding and the foreign exchange markets in Singapore. These markets are a significant part of the global financial system, and international financial institutions rely on Singapore as the largest U.S. dollar and foreign exchange centre in Asia outside of Japan.

Singapore Dollar Markets

4 The facility complements MAS' management of Singapore dollar markets. There is sufficient liquidity in the Singapore dollar market to meet the needs of the banking system here. Through our market operations, MAS will continue to inject additional liquidity as necessary to ensure this. In addition, the MAS Standing Facility is available each day for all eligible MAS Electronic Payment System (MEPS+) participating banks to deposit or borrow Singapore dollar funds against Singapore Government Securities collateral.

5 MAS stands ready to take measures necessary to strengthen the orderly functioning of financial markets and the stability of the financial system in Singapore, and to maintain confidence in Singapore as an international financial centre.

Note to Editors:

Information on Related Actions by Other Central Banks

Information on swap line arrangements between the Federal Reserve and other central banks is available at the following websites:

[Reserve Bank of Australia](#)

[Banco Central do Brasil](#)

[Bank of Canada](#)

[Danmarks Nationalbank](#)

[Bank of England](#)

[European Central Bank](#)

[Federal Reserve System](#)

[Bank of Japan](#)

[Bank of Korea](#)

[Banco de México](#)

[Reserve Bank of New Zealand](#)

[Norges Bank](#)

[Sveriges Riksbank](#)

[Swiss National Bank](#)

¹ Reserve Bank of Australia, the Bank of Canada, Danmarks Nationalbank, the Bank of England, the European Central Bank, the Bank of Japan, the Reserve Bank of New Zealand, the Norges Bank, the Sveriges Riksbank and the Swiss National Bank.

