



HONG KONG MONETARY AUTHORITY
香港金融管理局

Our Ref: M1/31C (20)

22 April 2020

The Chief Executive
All Licensed Banks

Dear Sir / Madam,

US Dollar Liquidity Facility

I am writing to provide you with information on the temporary US Dollar Liquidity Facility (the “Facility”) introduced by the Hong Kong Monetary Authority (“HKMA”) announced today¹.

The HKMA launches the Facility to make available US dollar liquidity for licensed banks (LBs) to help meet their US dollar funding needs. This is a part of the concerted efforts by central banks to help alleviate tightness in the global US dollar interbank money markets amid the considerable volatilities and uncertainties in the global financial markets brought about by the spread of the coronavirus infections. In principle, the Facility is underpinned by the Federal Reserve’s FIMA Repo Facility².

Starting from 6 May 2020, the HKMA will conduct a competitive tender every week for LBs to submit bids for US dollar liquidity. Currently a total of US\$10 billion is available under the Facility. US dollar liquidity will be provided to LBs in the form of repurchase transactions for a term of 7 days. The key parameters of the Facility are elaborated at the Annexes.

If you have questions about the operation of the Facility, please contact the Monetary Operations Division of the HKMA at 2878 8104 or USDfacility@hkma.iclnet.hk.

Yours faithfully,

(Howard Lee)
Deputy Chief Executive

Encl.

¹ Please refer to the HKMA’s press release of 22 April 2020.

² Please refer to the Federal Reserve’s press release of 31 March 2020.

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