



HONG KONG MONETARY AUTHORITY
香港金融管理局

Our Ref: M1/31C (24)

22 May 2024

The Chief Executive
All Licensed Banks

Dear Sir/Madam,

Refinements of the US Dollar Liquidity Facility

In light of the seven-day repo facility newly added by the US Federal Reserve (Fed) under the Foreign and International Monetary Authorities (FIMA) Repo Facility¹, the HKMA will introduce refinements of the US Dollar Liquidity Facility (the “Facility”)² with effect from 24 May 2024 as follows:

1. The settlement date will be the same day as the tender date (T+0), instead of the business day after the tender date (T+1). In light of this, successful bidders will be required to complete transfer of collateral not later than 6:00 p.m. Hong Kong time on the tender date.
2. The bidding interest rate of the Facility will be subject to a minimum rate equivalent to the pricing rate for the seven-day term of the FIMA Repo Facility. Previously, the minimum bidding interest rate was set as the prevailing offering rate of the overnight FIMA Repo Facility.

¹ For details, please refer to the Fed’s website:
<https://www.federalreserve.gov/monetarypolicy/fima-repo-facility.htm>

² In principle, the Facility is underpinned by the Fed’s FIMA Repo Facility.

The updated key parameters of the Facility are elaborated in the Annexes. Should you have any questions on the above, please contact the Monetary Operations Division of the HKMA at 2878 8104 or USDfacility@hkma.iclnet.hk.

Yours faithfully,

Daryl Ho
Executive Director (Monetary Management)

Encl.