

COVID-19 Response: Multilateral actions

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The Federal Reserve Board (FRB) and the central banks of other jurisdictions are authorized to take certain open market actions to stabilize their respective currencies. In the United States, the FRB's Federal Open Market Committee (FOMC) uses the authority granted under section 14 of the Federal Reserve Act to enter into arrangements with other central banks to improve liquidity conditions in US dollar funding markets in the United States and abroad and to offer liquidity in foreign currencies to US financial institutions. Highlights from other multilateral efforts are included below.

Federal Reserve

Initial date	Initiative name	Overview	Applicable entities	Key terms	2008 comparable initiative
31-March-2020	FIMA Repo Facility	The temporary repurchase agreement facility for foreign and international monetary authorities (FIMA Repo Facility) will allow applicable entities to enter into repurchase agreements with the Federal Reserve to temporarily exchange their US Treasury securities held with the Federal Reserve for US dollars, which can then be made available to institutions in their jurisdictions to help support the smooth functioning of the US Treasury market by providing an alternative temporary source of US dollars other than sales of securities in the open market. It should also serve, along with the US dollar liquidity swap lines the Federal Reserve has established with other central banks (see below), to help ease strains in global U.S. dollar funding markets.	FIMA account holder (central banks and other international monetary authorities with accounts at the Federal Reserve Bank of New York)	See the full discussion of the FIMA Repo Facility in our summary of the Federal Reserve's recently announced liquidity facilities.	N/A
23-March-2020	Coordinated Central Bank Action to Further Enhance the Provision of US Dollar Liquidity	<p>The FRB and the Bank of Canada, the Bank of England, the Bank of Japan, the European Central Bank, and the Swiss National Bank announced a coordinated action to improve the swap lines' effectiveness in providing US dollar funding by increasing the frequency of 7-day maturity operations from weekly to daily.</p> <p>These daily operations will commence on Monday, March 23, 2020, and will continue at least through the end of April. The central banks also will</p>	Central banks		On December 12, 2007, the FRB announced the establishment of foreign exchange swap lines with the European Central Bank and the Swiss National Bank. In its press release, the FRB indicated that the swap lines, like the Term Auction Facility created at the same time, were intended "to address elevated pressures in short-term funding markets." This initiative subsequently expanded.

		<p>continue to hold weekly 84-day maturity operations.</p> <p>The swap lines among these central banks are available standing facilities and serve as an important liquidity backstop to ease strains in global funding markets.</p>			
19-March-2020	<p>US Dollar Liquidity Arrangements</p> <p>Authorized under section 14 of the Federal Reserve Act and FOMC policies and procedures</p>	<p>The FRB US dollar liquidity arrangements with other central banks are designed to help lessen strains in global US dollar funding markets and thereby mitigate the effects of these strains on the supply of credit to households and businesses, both domestically and abroad.</p>	<p>Central banks of Australia, Brazil, Denmark, Korea, Mexico, Norway, New Zealand, Singapore and Sweden.</p> <p>(The FRB has existing US dollar swap arrangements in place with the central banks of Canada, the European Union, Japan, Switzerland and the UK.)</p>	<p>The US dollar liquidity arrangements are swaps that allow a participating foreign central bank to sell its home country currency to the Federal Reserve in exchange for US dollars at the prevailing exchange rate with both the home country currency and US dollars under a swap agreement that requires the foreign central bank to buy back its home country currency at a specified future date at the initial exchange rate with interest.</p> <p>The FRB has set an initial cap on swap arrangements with each participating central bank of either \$30 billion or \$60 billion.</p>	<p>The FOMC authorized liquidity swap lines with central banks in Australia, Brazil, Canada, Denmark, Japan, Korea, Mexico, New Zealand, Norway, Singapore, Sweden, Switzerland and European Union from December 2007 through February 2010 to provide liquidity in US dollars to overseas markets.</p>

International Monetary Fund

Initial date	Initiative name	Overview	Applicable entities	2008 comparable initiative
16-April-2020	IMF Adds Liquidity Line to Strengthen	<p>The IMF announced the establishment of the Short-term Liquidity Line (SLL). The facility is a revolving and renewable backstop for member countries with very strong policies and fundamentals in need of short-term moderate balance payments support up to 145% of quota. The facility is intended to fill a critical</p>	Member countries	

	COVID-19 Response	gap in the IMF's toolkit, help manage liquidity pressures, and help facilitate a more efficient allocation of resources.		
27-March-2020	IMF Enhances Debt Relief Trust to Enable Support for Eligible Low-Income Countries in the Wake of the COVID-19 Pandemic	The IMF Executive Board has adopted immediate enhancements to its Catastrophe Containment and Relief Trust (CCRT) to enable the IMF to provide debt service relief for eligible low-income countries. Specifically, the decision will allow all member countries with per capita income below the World Bank's operational threshold for concessional support to qualify for debt service relief for up to two years. The IMF has also launched a fund-raising exercise that would enable the Trust to provide about \$1 billion for the current pandemic.	Low-Income Countries	
25-March-2020	Joint Statement World Bank Group and IMF Call to Action on Debt of IDA Countries	The IMF and World Bank called on official bilateral creditors to suspend debt payments from Internal Development Association (IDA) borrowing countries that request forbearance to allow them to meet liquidity needs in light of the COVID-19 crisis. They also requested that G-20 leaders task the World Bank and IMF with identifying countries with unsustainable debt situations and preparing a proposal for comprehensive action by official bilateral creditors to address both the financing and debt relief needs of IDA countries. The IMF and World Bank would then seek endorsement up such a proposal at the Development Committee during the Spring Meetings (April 16-17).	IDA countries and creditor countries	
04-March-2020	IMF Makes Available \$50 Billion to Help Address Coronavirus	The IMF has made available approximately \$50 billion through its rapid-disbursing emergency financing facilities for low income and emerging market countries that could potentially seek support. Of this, \$10 billion is available at zero interest for the poorest members through the Rapid Credit Facility. (The IMF has \$1 trillion in overall lending capacity moving forward.)	Low income and emerging market countries.	
03-March-2020	Virtual IMF-World Bank Spring Meetings 2020	The Management of the IMF and World Bank Group and their Executive Boards have agreed to implement a joint plan to adapt the 2020 IMF-World Bank Spring Meetings to a virtual format. The IMF also issued FAQs in connection with the Spring Meetings.	Central banks, finance ministers, parliamentarians, and civil society.	The IMF and World Bank did not take similar steps in the 2008 crisis, but did take similar extraordinary steps in the wake of the September 11, 2001, terrorist attacks in New York and

				Washington, DC by postponing and then shifting policy meetings to another location.
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G-7/G-20/FSB

Initial date	Initiative name	Overview	Applicable entities	2008 comparable initiative
15-April-2020	G-20 Finance Ministers and Central Bank Governors Meeting Communiqué	<p>The G-20 Finance Ministers and Central Bank Governors met virtually on 15-April-2020 to discuss actions taken by members, the IMF, World Bank, and other international financial institutions. The G-20 supports a time-bound suspension of debt service payments for the poorest countries that request forbearance and agree with the common term sheets agreed to by the Paris Club. It also calls on private creditors, working through the Institute of International Finance, to participate in the initiative on comparable terms, and ask multilateral development banks to explore options for suspension of debt service payments over the suspension period, while maintaining current rating and low cost of funding.</p> <p>The G-20 also asks the FSB to continue monitoring financial sector vulnerabilities and coordinating on regulatory and supervisory measures between its member countries, international organizations and standard-setting bodies, using the existing flexibility within international regulatory standards without compromising on the previously agreed reforms, and draw from members' experiences to share best practices on policy measures taken.</p>	Governments and Central Banks	
15-April-2020	FSB Publishes Report on International Cooperation to Address the Financial Stability	<p>The FSB delivered a report to the G-20 on international cooperation and coordination to address the financial stability implications from COVID-19. The report sets out five principles underpinning the response to support the economy, maintain financial stability and minimize the risk of market fragmentation. On the basis of these principles, the FSB is supporting the international COVID-19 response in three ways:</p>	Governments and Central Banks	

	Implications of COVID-19	<ol style="list-style-type: none"> 1) Regularly sharing information among financial authorities on evolving financial stability threats, on the policy measures that financial authorities are taking or are considering, and on the effects of those policies; 2) Assessing potential vulnerabilities in order to better understand the impacts of COVID-19 on financial markets in individual jurisdictions and across the globe and inform discussions of policy issues; and 3) Coordinating member responses to policy issues, including measures that standard-setting bodies and national authorities take to provide flexibility within international standards or reduce operational burdens. 		
14-April-2020	G-7 Finance Ministers and Central Bank Governors Virtual Meeting	The G-7 Finance Ministers and Central Bank Governors met virtually to reaffirm their close coordination to fight the pandemic and mitigate its impacts, including by enacting wide-ranging health, economic, and financial stability measures in our respective countries. They reiterated their pledge to do whatever is necessary to restore economic growth and protect jobs, businesses, and the resilience of the financial system. They expressed support for the FSB's work to regularly share information, undertake forward-looking assessments of global financial vulnerabilities, and coordinate policy responses among its members and the standard-setting bodies.	Governments and Central Banks	
01-April-2020	FSB Works to Ensure Continuity of Critical Financial Services Functions	<p>FSB members met on a conference call on March 30, 2020 to review actions taken by members in response to the COVID-19 pandemic. A key issue discussed was ensuring the operations of financial services.</p> <p>The FSB identified the following as essential personnel necessary to continue critical functions:</p> <ul style="list-style-type: none"> • providing consumer access to cash, electronic payments and other banking and lending services; • as appropriate, keeping branches and call centers open; • processing claims under government support programs; • insurance services; • risk management; • supporting financial operations, such as staffing data and security operations centers; and • supporting third-party providers who deliver core services. 	Governments	

		<p>FSB members are actively engaging with national and local authorities to ensure that essential personnel are permitted and have the necessary equipment to work on-site and strongly recommend that authorities recognize these workers as essential personnel to maintain critical infrastructure for the financial system.</p> <p>The FSB's COVID-19 work includes: (i) regularly sharing information on evolving financial stability threats and policy measures taken by financial authorities; (ii) assessing financial risks and vulnerabilities in the current environment; and (iii) coordinating policy responses to maintain global financial stability, keep markets open and functioning, and preserve the financial system's capacity to serve households and businesses confronting COVID-19. In addition, the FSB is re-prioritizing its work program for 2020 to maximize the value of FSB work during the current crisis and to use members' resources effectively.</p>		
31-March-2020	G-20 Finance Ministers & Central Banks Virtual Meeting Press Release	<p>The G-20 Finance Ministers and Central Bank Governors met virtually to coordinate COVID-19 response efforts and agree on a roadmap to implement commitments made at the March 26, 2020 Leaders' Summit (see below), including:</p> <ul style="list-style-type: none"> • Delivering a joint G-20 Action Plan in response to COVID-19 outlining individual and collective actions taken and planned in response to the pandemic; • Addressing risk of debt vulnerabilities in low-income countries; • Working with international organizations to deliver appropriate financial assistance to emerging markets and developing countries to cope with COVID-19; and • Working with the FSB to coordinate regulatory and supervisory measures. <p>The G-20 tasked the relevant working groups to deliver on the roadmap by their April 15, 2020 virtual meeting.</p>	Governments and central banks	
26-March-2020	G-20's Leaders' Summit Statement on COVID-19	<p>The G-20 is undertaking immediate and vigorous measures to support global economies; protect workers, businesses and the sectors most affected; and shield the vulnerable through adequate social protection, including by injecting over \$5 trillion into the global economy through targeted fiscal policy, economic measures, and guarantee schemes.</p> <p>The leaders ask their Finance Ministers and Central Bank Governors to coordinate on a regular basis to develop a G-20 action plan in response to</p>	Governments and central banks	

		<p>COVID-19 and work closely with international organizations to swiftly deliver the appropriate international financial assistance.</p> <p>The G-20 also welcomes the steps taken by the World Bank and IMF to support countries in need using all instruments to the fullest extent as part of a coordinated global response and ask them to regularly update the G-20 on the impacts of the pandemic, their response, and policy recommendations.</p>		
24-March-2020	Statement of G-7 Finance Ministers and Central Bank Governors	<p>The G-7 is committed to deliver the fiscal effort necessary to help economies rapidly recover and resume the path towards stronger and more sustainable economic growth. Alongside nations' efforts to expand health services, G-7 finance ministries are undertaking, and recommend all countries undertake, liquidity support and fiscal expansion to mitigate the negative economic impacts associated with the spread of COVID-19.</p> <p>G-7 central banks are taking exceptional action, consistent with their mandates, to put in place a comprehensive package of monetary policy measures to support economic and financial stability. The G-7 countries are taking actions to improve liquidity and overall market functioning of the financial system, including through swap lines among central banks and with those of other nations. The G-7 pledges to maintain expansionary policies for as long as needed and stand ready to take further action, using the full range of instruments consistent with our mandates.</p> <p>Consistent with the direction from the G-7 leaders, finance ministries will coordinate on a weekly basis on the implementation of these measures and take further timely and effective actions.</p>	Governments and Central banks	
23-March-2020	G-20 Finance Ministers & Central Bank Governors Virtual Meeting	<p>The G-20 Finance Ministers and Central Bank Governors met virtually on March 23, 2020 to discuss the impact of COVID-19 pandemic on the global economy and coordinate their efforts in response to this global challenge. They also discussed the preparation for the virtual G-20 Leaders' Summit, which is convening in a few days to coordinate international efforts to address the pandemic and the related economic and social impacts.</p> <p>G-20 Finance Ministers and Central Bank Governors agreed to develop a joint G-20 Action Plan in response to COVID-19, which will outline the individual and collective actions that G-20 has taken and will be taking to respond to the COVID-19 pandemic.</p>	Governments and Central banks	

20-March-2020	FSB Coordinates Financial Sector Work to Buttress the Economy in Response to COVID-19	<p>The Financial Stability Board (FSB) encourages authorities and financial institutions to make use of the flexibility within existing international standards to provide continued access to funding for market participants and for businesses and households facing temporary difficulties from COVID-19, and to ensure that capital and liquidity resources in the financial system are available where they are needed.</p> <p>The FSB has 68 member institutions, comprising ministries of finance, central banks, and supervisory and regulatory authorities from 25 jurisdictions as well as international organizations (including the European Central Bank, the European Commission, the IMF, OECD, and the World Bank) and standard-setting bodies (including the Basel Committee on Banking Supervision), and 6 Regional Consultative Groups reaching out to 65 other jurisdictions around the world.</p> <p>The FSB is hosted and funded by the Bank for International Settlements.</p>	Governments	The FSB was established after the G-20 London summit in April 2009 as a successor to the Financial Stability Forum (FSF).
16-March-2020	G-7 Leaders' Statement	<p>G-7 leaders commit to “doing whatever is necessary to ensure a strong global response through closer cooperation and enhanced coordination of our efforts.”</p> <p>Among other things, the G-7 leaders “call on the International Monetary Fund and the World Bank Group and other International Organizations to further support countries worldwide as part of a coordinated global response, focused on this specific challenge. We also ask our finance ministers to work closely with International Organizations to design and implement swiftly the international financial assistance that is appropriate to help countries, including emerging and developing economies, face the health and economic shock of COVID-19.”</p>	Governments	
11-March-2020	Call for Emergency G-20 Summit on Coronavirus	<p>The leaders from the 2008 financial crisis have called for an emergency G-20 summit on coronavirus.</p> <p>The next ordinary, scheduled meeting of the G-20 is not until November 2020, hosted by Saudi Arabia.</p>	Governments	In the aftermath of the 2008 global financial crisis, the G-20 was effective in helping to stabilize financial markets and launching a global economic stimulus initiative. It also launched mutual assessment processes, among other important initiatives.

03-March-2020	Statement of G-7 Finance Ministers and Central Bank Governors	The G-7 finance ministers and central bank governors announced that they “reaffirm our commitment to use all appropriate policy tools to achieve strong, sustainable growth and safeguard against downside risks. Alongside strengthening efforts to expand health services, G-7 finance ministers are ready to take actions, including fiscal measures where appropriate, to aid in the response to the virus and support the economy during this phase. G-7 central banks will continue to fulfill their mandates, thus supporting price stability and economic growth while maintaining the resilience of the financial system.”	Governments and central banks	
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Basel Committee on Banking Supervision

Initial date	Initiative name	Overview	Applicable entities	2008 comparable initiative
03-April-2020	Basel Committee Sets Out Additional Measures to Alleviate the Impact of COVID-19	<p>The BCBS announced additional measures to alleviate the impact of COVID-19 on the global banking system. The measures are also intended to support the provision of lending by banks to the real economy and provide additional operational capacity for banks and supervisors to respond to the immediate financial stability priorities.</p> <ul style="list-style-type: none"> • The BCBS has amended its transitional arrangements for the regulatory capital treatment of expected credit loss (ECL) accounting, providing jurisdictions with greater flexibility in deciding whether and how to phase in the impact of ECL on regulatory capital. • The BCBS has agreed with the International Organization of Securities Commissions to defer the final two implementation phases of the framework for margin requirements for non-centrally cleared derivatives by one year. • The BCBS will conduct the 2020 global systemically important bank assessment exercise as planned, but will not collect the memorandum data included in the data collection template and will postpone the implementation of the revised G-SIB framework from 2021 to 2022. 	Governments and central banks	

27-March-2020	Deferral of Basel III Implementation to Increase Operational Capacity of Banks and Supervisors to Respond to COVID-19	<p>The Basel Committee's oversight body, the Group of Central Bank Governors and Heads of Supervision, has endorsed a set of measures to provide additional operational capacity for banks and supervisors to respond to the immediate financial stability priorities resulting from the impact of COVID-19 on the global banking system.</p> <ul style="list-style-type: none"> • The implementation date of the Basel III standards finalized in December 2017 has been deferred by one year to January 1, 2023. The accompanying transitional arrangements for the output floor has also been extended by one year to January 1, 2028. • The implementation date of the revised market risk framework finalized in January 2019 has been deferred by one year to January 1, 2023. • The implementation date of the revised Pillar 3 disclosure requirements finalized in December 2018 has been deferred by one year to January 1, 2023. 	Governments and central banks	The Basel III standards were adopted in the wake of the 2008 financial crisis. According to the Basel Committee, the revised timeline is not expected to dilute the capital strength of the global banking system, but will provide banks and supervisors additional capacity to respond immediately and effectively to the impact of COVID-19.
20-March-2020	Basel Committee Coordinates Policy and Supervisory Response to COVID-19	<p>The Committee is suspending consultation on all policy initiatives and postponing all outstanding jurisdictional assessments planned in 2020 under its Regulatory Consistency Assessment Programme.</p> <p>The Committee is continuing to assess and address the banking and supervisory implications of COVID-19, and is actively coordinating with the Financial Stability Board and other standard setting bodies on cross-cutting financial system issues.</p> <p>In the coming days, the Committee will consider additional measures aimed at supporting the financial resilience of banks and the operational resilience of both the banking and supervisory community.</p>	Governments and central banks	In the aftermath of the 2008 global financial crisis, the Basel Committee was a key thought leader and policy driver with respect to financial regulatory and supervisory policy, including measures regarding financial institution capital, liquidity, resolvability, interconnectedness and resiliency.

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