

Appendix 1: Bank of Canada Liquidity Facilities

	Term PRA	Term PRA for Private Sector Money Market Instruments	Term PRA for Private Sector Instruments	Term Loan Facility
Date announced	12 December 2007; modified most recently: 19 January 2010	14 October 2008; effective 27 October 2008. Discontinued 16 March 2009 ^b	23 February 2009; effective 16 March 2009. Discontinued after 27 October 2009	12 November 2008. Discontinued after 28 October 2009
Purpose	Temporary facility to provide liquidity in support of the efficient functioning of financial markets and modified on 21 April 2009 to also reinforce the BoC's conditional statement regarding the expected future path of the target overnight rate	Temporary facility to support liquidity in private sector money market instruments. This facility was replaced by the Term PRA for Private Sector Instruments.	Temporary facility to support liquidity in markets for private sector instruments	Temporary term loan facility to give LVTS participants increased flexibility in the management of their balance sheets and to improve conditions in money and credit markets
Eligible participants	Canadian PDs in GoC securities and direct participants in the LVTS	PDs on a direct basis and money market participants on an indirect basis who can demonstrate significant activity in the Canadian-dollar private sector money markets and who are subject to federal or provincial regulation	Institutions that can demonstrate significant activity in the Canadian private sector money and/or bond markets and that are subject to federal or provincial regulation	Direct participants in the LVTS
Eligible collateral/securities ^a	Securities issued or guaranteed by the Government of Canada; securities issued or guaranteed by a provincial government; BAs and promissory notes; CP and short-term municipal paper; ABCP that meets the BoC's eligibility criteria; corporate and municipal bonds. Securities are subject to credit and other criteria.	BAs, CP, ABCP that meet the BoC's eligibility criteria, promissory notes. Securities are subject to credit and other criteria.	BAs, CP, and ABCP that meet the BoC's eligibility criteria, promissory notes, corporate bonds. Securities are subject to credit and other criteria.	Canadian-dollar non-mortgage loan portfolios, subject to credit and other criteria.
Haircuts	Margin requirements available at: < http://www.bankofcanada.ca/en/financial/securities.pdf >	See margin requirements (URL in Column 1)	See margin requirements (URL in Column 1)	See margin requirements (URL in Column 1)
Pricing and type of auction	Multiple-yield competitive auction for a fixed par Canadian-dollar amount. Introduced minimum and maximum bid rates on 21 April 2009. Minimum bid rate: lower end of the operating band (25 basis points). Maximum bid rate: Bank Rate (50 bps)	Multiple-yield competitive auction for a fixed par Canadian-dollar amount, subject to a minimum bid rate set at a spread of 75 bps over the average of the BoC's target overnight rate and the 1-month OIS rate as observed by the Bank	Multiple-yield competitive auction for a fixed par Canadian-dollar amount, subject to a minimum bid rate set at a spread of 25 bps over the target overnight rate	Single-price auction for a fixed par Canadian-dollar amount. Minimum bid rate: Bank Rate. All winning bids will pay the minimum accepted yield.
Term	1, 3, 6, 9, and 12 months	2 weeks	1 and 3 months	1 month
Frequency	Monthly	Weekly	Weekly	Weekly

a. Full details regarding eligible securities are available at <<http://www.bankofcanada.ca/en/financial/securities.pdf>> .

b. As of 16 March 2009, this facility was replaced by the Term PRA for Private Sector Instruments.

Legend: ABCP = asset-backed commercial paper; BAs = bankers' acceptances; BoC = Bank of Canada; CP = commercial paper; CPA = Canadian Payments Association;

ELB = effective lower bound; GoC = Government of Canada; LLR = Lender of Last Resort; LVTS = Large Value Transfer System; OIS = overnight index swap;

PDs = primary dealers; SLF = Standing Liquidity Facility

Appendix 1: Bank of Canada Liquidity Facilities (cont'd)

	Sale and Repurchase Agreements (SRAs)/Special Purchase and Resale Agreements (SPRAs)	Overnight Standing Purchase and Resale Agreement (PRA) Facility	Standing Liquidity Facility (SLF)	Emergency Lending Assistance (ELA)
Date announced	Used since mid-1994	21 April 2009		
Purpose	Permanent tool of the BoC standard operating framework for the implementation of monetary policy. Used to reinforce the target overnight rate at the midpoint of the operating band. Under the ELB, SRAs would be used to reinforce the target overnight rate, which is the lower end of the operating band.	Temporary facility as part of the operating framework for the implementation of monetary policy at the ELB. This facility provides a funding backstop to PDs, similar to the overdraft facility for LVTS participants.	Permanent facility as part of the BoC's operating framework for the implementation of monetary policy and of the BoC's LLR framework. This facility aims to support settlement in the payments system by providing collateralized overnight loans to direct participants in the payments system who are experiencing temporary shortfalls in their settlement balances.	Permanent facility, part of the BoC's LLR framework. This facility provides extraordinary credit support to solvent institutions that are facing serious and persistent liquidity problems.
Eligible participants	PDs for GoC securities	PDs for GoC securities	Direct participants in the LVTS	Federally incorporated deposit-taking institutions that are CPA members that are solvent but face persistent liquidity problems and, in the case of an extraordinary and widespread event that would have significant adverse consequences for a provincial credit union or caisse populaire system, the Credit Union Central of Canada, a provincial credit union central, the Caisse centrale Desjardins, or the Fédération des caisses Desjardins
Eligible collateral/securities ^a	GoC securities	GoC securities	Securities issued or guaranteed by the Government of Canada, GoC stripped coupons and residuals, securities issued or guaranteed by a provincial government, BAs, and promissory notes, CP and short-term municipal paper, corporate, municipal and foreign-issuer bonds, marketable securities issued by the U.S. Treasury, ABCP that meets the BoC's eligibility criteria, and Special Deposit Accounts held at the Bank. Canadian-dollar non-mortgage loan portfolios are also eligible, up to certain limits. Securities are subject to credit and other criteria.	The BoC is willing to accept a broader range of collateral than for the SLF, including the Canadian-dollar non-mortgage loan portfolios, subject to credit and other criteria.
Haircuts	Margin requirements available at: < http://www.bankofcanada.ca/en/financial/securities.pdf >	See margin requirements (URL in Column 1)	See margin requirements (URL in Column 1)	See margin requirements (URL in Column 1)
Pricing	Overnight Target Rate	Bank Rate	Bank Rate	Minimum rate is the Bank Rate.
Term	Overnight	Overnight	Overnight	Maximum term to maturity: 6 months
Frequency	As required	Standing Facility	Standing Facility	As approved by BoC. Actual use is very rare.

a. Full details regarding eligible securities are available at <<http://www.bankofcanada.ca/en/financial/securities.pdf>> .

Legend: ABCP = asset-backed commercial paper; BAs = bankers' acceptances; BoC = Bank of Canada; CP = commercial paper; CPA = Canadian Payments Association; ELB = effective lower bound; GoC = Government of Canada; LLR = Lender of Last Resort; LVTS = Large Value Transfer System; OIS = overnight index swap; PDs = primary dealers; SLF = Standing Liquidity Facility