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Nota di contenuto	Contents; Glossary; Executive Summary; I. General Considerations; II. Uncertainties; A. Market Demand for Liquidity; B. Functioning of Liquidity Distribution Networks; C. Collateral: Adverse Selection and Gresham's Law; Figures; 1. Composition of Collateral-Federal Reserve; 2. Eligible Collateral by Asset Type, (LH) and Collateral Used (RH); 3. Composition of Collateral Used for Temporary Operations-Bank of Japan; D. Maturity Structure of Liquidity Demand; III. Analysis of Recent Developments; A. Liquidity Management; 4. Eurosystem Daily and Average Reserve Holdings B. Distribution Networks and CounterpartiesBoxes; 1. Reserve Flexibility Through Target Bands in the United Kingdom; Tables; 1. Counterparty Arrangements; 2. Initial Participation in the Federal Reserve's Term Auction Facility; 2. The Term Auction Facility; C. Collateral; 3. European Central Bank Weekly Main Refinancing Operation Marginal Rate vs. Coincident Market Rates Before and After the Crisis; 4. Federal Reserve Bank Open Market Operations Collateral; D. Term Operations and Monetary Policy; 5. Total Domestic Portfolio; 6. A Structure of Overall Liquidity Provision by Type of Operation 7. Bank of England OMOs: Monthly Average Amount Outstanding Central Bank Repos (2007-2008)8. Term of Reserve Bank of Australia Repos 2007; 3. Changes in the Monetary Policy Stance since July 2007; E. Instruments "Stigma"; F. Cross-border Liquidity Provision: Does the Cross-Border Market Matter?; 9. U.S. Dollar Short-term Rates; 10. Spread Between Morning Rate and Federal Reserve Funds Target Rate; 11. Spread Between Federal Reserve Funds Effective Rate and Morning Rate; G. Innovations: Asset-based Operations (TSLF and SLS) and the PDCF; 5. Term Liquidity Bidders; IV. Exit Strategies V. ConclusionsA. Liquidity Management; B. Distribution Networks and Counterparties; C. Collateral; D. Term Operations and Monetary Policy; E. Stigma; F. Cross-border Liquidity; 13. Three-Month LIBOR to Overnight Index Swap Spreads; Appendixes; I. Chronology of Central Banks' Response to Financial Turmoil During 2007-08; 14. United States: Selected Federal Reserve Policy Actions and Term Funding Stress; 15. European Central Bank Main Refinancing Rate vs. Euro One Week and Euribor One Week; II. Detailed Chronology of Measures Taken by Central Banks; Reference
Sommario/riassunto	The paper reviews the policy response of major central banks during

the 2007–08 financial market turbulence and suggests that there is scope for convergence among central bank operational frameworks through the adoption of those elements that proved most instrumental in calming markets. These include (i) rapid liquidity provision to a broad range of counterparties; (ii) a congruence of collateral policies with market developments; (iii) an ability to increase the average maturity of liquidity provision; and (iv) central bank cooperation to facilitate the use of cross-border collateral. Flexible use of open market operations was needed to avoid the stigma associated with traditional standing facilities, and allowed central banks to maintain at least basic market functioning. Having a flexible framework, however, requires careful consideration of the desirable limits to market intervention.
