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இலங்கை மத்திய வங்கி
CENTRAL BANK OF SRI LANKA

Domestic Operations Department

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Circular No. 35/01/005/0006/34

Domestic Operations Department

23 September 2014

To: All Licensed Commercial Banks and Primary Dealers

Operating Instructions on Open Market Operations of the Central Bank of Sri Lanka

The Monetary Board has observed that in recent times the Standing Deposit Facility (SDF) window of the Central Bank of Sri Lanka (CBSL) which should essentially be used at infrequent intervals to absorb excess liquidity which are of a temporary nature has been accessed as a permanent facility by certain commercial banks. The Monetary Board is of the view that a continuation of such trend is not conducive both to the growth prospects and the stability of the financial system. Accordingly, the Monetary Board at its meeting held on 22 September 2014 has decided that:

- a. The availability of SDF to a particular Participating Institution (PI) will be limited to a maximum of three (3) times per calendar month at the prevailing CBSL SDF Rate. Any deposits more than three (3) times (two (2) times during the balance period of September 2014) by a particular PI during a calendar month will be accepted at the rate of 5 per cent per annum.
- b. The above amendment to take effect from 23 September, 2014 and to continue until further notice.

The PIs are also informed that the above amendments are to the Operating Instructions on Open Market Operations of the CBSL in Scripless Government Securities (Circular No. 35/01/005/0006/04 dated 27 January 2004 as amended by Circular No. 35/01/005/0006/33 dated 02 January 2014).

Director/Domestic Operations