

**To : All Licensed Commercial Banks and Primary Dealers**

**Operating Instructions on reporting requirements relating to “Central Integrated Market Monitor” (CIMM)**

1. These Operating Instructions (OI) shall come into effect on 01<sup>st</sup> March 2018. Any previous communications with Licensed Commercial Banks (LCB) and Primary Dealers (PD) issued by Domestic Operations Department (DOD) relating to the Online Money Market Monitoring System and Liquidity Monitoring System including the letters dated 6 January 2006 and 8 September 2006 and captioned ‘Online Money Market Monitoring System’, are hereby repealed.

For the purposes of these OI, Participating institutions (PI) shall mean LCBs and PDs.

2. **Reporting Requirements**

- 2.1 **For transactions which are not brokered by an Authorized Money Broker (AMB) (hereinafter referred to as Direct Deals);**

- i. All PIs are required to report to the Central Bank of Sri Lanka (CBSL) all repo transactions effected with a PI through the CIMM in such a way that the lending PI (lender) shall enter the required details within 15 minutes from effecting a transaction and the borrowing PI (borrower) shall authorize the same within 15 minutes from the time of such entry by the lender.
    - ii. All LCBs are required to report to CBSL the inter-bank call money transactions through the CIMM in such a way that the lending LCB (lender) shall enter the required details within 15 minutes from effecting a transaction and the borrowing LCB (borrower) shall authorize the same within 15 minutes from the time of such entering by the lender.

## **2.2 For transactions which are brokered by an AMB**

- i. All call and repo transactions brokered by an AMB are initially entered to the CIMM by the respective AMB.
- ii. Regardless of being the lender or borrower, all LCBs shall confirm transactions entered by AMBs to CBSL, through CIMM, within 30 minutes from reporting the same by the AMB.
- iii. Regardless of being the lender or borrower, all PDs shall confirm transactions entered by AMBs, through the CIMM, within 30 minutes from reporting the same by the AMB.

## **3. Reporting Liquidity Estimates**

Each LCB and PD shall inform its estimated daily liquidity position as per the specified format through CIMM before 0830 hrs on each working day. All LCBs and PDs shall take all measures to ensure that a high level of accuracy of the liquidity estimate is maintained at all times. Further, actual liquidity positions of each working day should also be reported before the close of business on the following working day once the required interface is made available to LCBs and PDs.

## **4. Reporting of transactions done via Bloomberg (BBG) and Thompson Reuters (TR) trading platforms**

The procedure set out in section 2. 1. above is applicable to all call and repo transactions executed through BBG and TR, until such time the facility to automatically capture details of such transactions to the CIMM is established by TR and BBG.

5. Statements of all call and repo transactions effected with all PIs should be submitted via email to [dod@cbsl.lk](mailto:dod@cbsl.lk) by PIs before 3.00 p.m on each day according to Annex I.

## **6. Correction of Errors**

- 6.1 Errors in any authorized transaction done via Reuters, Bloomberg, Money Brokers or as a direct deal are permitted to be corrected on the CIMM before 3.30 p.m. on each day.

6.2 However, a Request for Amendment (RFA) should be emailed to DOD by the party which has entered the transactions initially as soon as the error is detected (auto-submission facility of RFA through CIMM will be made available, with a 'Remarks' filed to enter the reasons for RFA).

6.3 All the errors/amendments will be monitored closely by DOD.

## **7. Governance principles for reporting through the CIMM**

### **7.1 Roles and responsibilities of the Board**

The Board of Directors (Board) of LCBs and PDs shall approve the relevant policies, procedures and processes and shall ensure that all Treasury operations and activities are appropriately managed when discharging its obligations under these OI.

### **7.2 Roles and responsibilities of the CEO**

(i) *To set clear internal policies and guidelines on the reporting process which includes the following;*

- a) The officers responsible for entering the data and the person responsible for approving the same must be authorized by the Board for the said purpose.
- b) Board approval for the process of reporting through the CIMM.
- c) Reporting structure with respect to data submission to be established to enable timely reporting to senior officers for appropriate action in the case of any anomalies, potential fraud or misconduct.
- d) A proper system needs to be introduced to re-check the accuracy of reporting.

(ii) *Monitoring activities;*

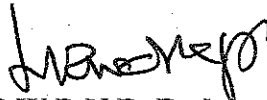
- a) Reporting through the CIMM shall be subject to an internal and external audit of the respective LCBs and PDs.
- b) An appropriate internal control system to be established to secure compliance with these OI.
- c) An effective policy to be introduced for early detection of any misconducts or irregularities in the reporting process.

8. An internal guideline for the reporting framework shall be formulated and submitted to the Domestic Operations Department (DOD) of CBSL within one (1) month from the date of issuing these Operating Instructions. Any changes to the said framework need to be communicated to DOD within one (1) week from the date of such change.
9. All documents relating to the transactions and the policies and processes relating to reporting requirements shall be kept for at least 6 years from the date of each transaction or the date of approval of such policies and processes, as the case may be.

**10. Consequences of Non Compliance**

Failure to comply with the provisions of these OI and/or the furnishing of false or incorrect information or the omission of any information may result in taking of action after an investigation, which may include:

- (a) A warning being issued to the errant LCB or PD' and/or
- (b) A payment of Rs. 500,000 against any instance of failure to comply with these OI' and/or
- (c) A payment of Rs. 500,000 against furnishing of false or incorrect information or the omission of any information;

  
P.W.D.N.R. Rodrigo

**Director, Domestic Operations**

**Report on Inter-Bank Money Market Transactions**

Name of the Reporting Counterparty :

Date :

Rs. Million

Counterparty	Lending Amount	Borrowing Amount	Rate	Type of Transaction (Call/Repo)	Money Broker (For broker through deals)	Settlement Date	Maturity Date

