

APPENDIX II

MAJOR ADMINISTRATIVE MEASURES ADOPTED BY THE MONETARY BOARD IN 1975.

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Circular No: 92

Central Bank of Ceylon,
P. O. Box 590,
Colombo 1.
April 8, 1975.

Reserve Requirements - Regulations 'D', 'G' and 'H'

Your attention is invited to the notifications appearing in Gazette Extraordinary No. 158/2 of April 7, 1975, which withdraw:

- (i) Regulation 'G' published in Gazette Extraordinary No. 12,280 of February 1, 1961 as amended from time to time; and
- (ii) Regulation 'H' published in Gazette Extraordinary No. 14,420 of June 9, 1965;

and amend Regulation 'D' published in Gazette Extraordinary No. 10,143 of August 28, 1950. Consequently, Circular letters No. 14 of July 24, 1961 and No. 16 of September 25, 1961 are hereby withdrawn.

Commercial Banks are thus no longer required to maintain special reserves hitherto required under Regulation 'G' and 'H' but reserves required to be maintained under Regulation 'D' shall, with effect from April 23, 1975, be held only in the form of rupee deposits with the Central Bank.

A. BANDARANAYAKE
Chief Accountant

H. E. TENNEKOON
Governor

Circular No: 93

Central Bank of Ceylon,
P. O. Box 590,
Colombo 1,
April 8, 1975.

Commercial Bank Credit

Commercial Banks are hereby informed that with effect from today, the outstanding level of a bank's borrowings from the Central bank shall not exceed 8% of the total of the following asset items of that bank on December 31, 1974.

- (1) Bills discounted and financed;
- (2) Loans (excluding loans granted under Government agricultural credit schemes); and
- (3) Overdrafts;

subject to the provision that in the case of a bank whose outstanding borrowings from the Central bank as of today exceeds the stipulated limit that bank is not required to repay the excess immediately, but will not be granted any new advances until the outstanding level of its borrowings is brought within the limit. 'Borrowings from the Central Bank' in this context excludes refinance granted under Government agricultural credit schemes, the Guaranteed Price Scheme and from the Medium & Long Term Credit Fund.

The Central Bank, however, is prepared to consider applications from commercial banks for accommodation in excess of the stipulated limit, to enable banks to tide over temporary cash shortages. Such accommodation will be granted for very short periods and at a rate of interest of $2\frac{1}{2}\%$ above Bank rate.

Central Bank's Circular No. 82 dated May 27, 1974, is hereby withdrawn. However, banks are required not to increase their loans and advances for non-essential purposes such as consumption, speculative stock building, etc., over the level of such loans and advances outstanding as on December 31, 1974.

A. BANDARANAYAKE
Chief Accountant

H. E. TENNEKOON
Governor

Circular No. 95

Central Bank of Ceylon,
P. O. Box 590,
Colombo 1.
April 23, 1975.

Reserve Requirements - Regulation 'D'

Your attention is invited to the notification appearing in Gazette Extraordinary No. 160/62 of April 22, 1975, which alters the effective date of the amendment to Regulation 'D' published in Gazette Extraordinary No. 158/2 of April 7, 1975, to July 21, 1975.

Your bank may continue to maintain not more than 75% of the required reserves in the form of currency notes and coins, as defined in our Circular letter No. 14 of July 24, 1961, upto May 20, 1975. The proportion of required reserves held in the form of currency notes and coins shall not exceed 50% from May 21, 1975 to June 20, 1975 and 25% from June 21, 1975 to July 20, 1975. From July 21, 1975 the required reserves shall be maintained by your bank wholly in the form of deposits with the Central Bank.

A. BANDARANAYAKE
Chief Accountant

H. E. TENNEKOON
Governor

Circular No. 95A

Central Bank of Ceylon,
P. O. Box 590,
Colombo 1.
April 23, 1975.

Reserve Requirments - Regulation 'D'

Your attention is invited to the notification appearing in Gazette Extraordinary No. 160/62 of April 22, 1975, which alters the effective date of the amendment to Regulation 'D' published in Gazette Extraordinary No. 158/2 of April 7, 1975 to July 21, 1975.

Your bank may continue to maintain not more than 75% of the required reserves in the form of currency notes and coins upto May 20, 1975. The proportion of required reserves held in the form of currency notes and coins shall not exceed 50% from May 21, 1975 to June 20, 1975 and 25% from June 21, 1975 to July 20, 1975. From July 21, 1975, the required reserves shall be maintained by your bank wholly in the form of deposits with the Central Bank.

A. BANDARANAYAKE
Chief Accountant

H. E. TENNEKON
Governor

(v)

Circular No. 100

Central Bank of Ceylon,
P. O. Box 590,
Colombo 1.
July 25, 1975.

Reserve Requirements - Regulation 'D'

Your attention is invited to the notification appearing in Gazette Extraordinary No. 173/3 of July 21, 1975, which alters the effective date of the amendment to Regulation 'D' published in Gazette Extraordinary No. 158/2 of April 7, 1975, to December 31, 1975.

Your bank may continue to maintain upto December 31, 1975, not more than 75% of the required reserves in the form of currency notes and coins.

A. BANDARANAYAKE
Chief Accountant

H. E. TENNEKOON
Governor

RECORDED

Central Bank's Exchange Rates for U. S. Dollars

Circular Number and effective date	Central Bank Spot Buying	Central Bank Spot Selling
	Rate for Te'graphic Transfers	Rate for Te'graphic Transfers
	Rupees per 100 Dollars	
1/239 October 02, 1974	668.70	668.95
1/240 January 09, 1975	662.45	662.70
1/241 January 29, 1975	649.75	650.00
1/242 March 05, 1975	640.60	640.85
1/243 April 09, 1975	655.20	655.45
1/244 May 14, 1975	678.75	679.00
1/245 June 19, 1975	686.65	686.90
1/246 July 01, 1975	710.75	711.00
1/247 August 05, 1975	728.15	728.40
1/248 August 15, 1975	739.40	739.65
1/249 September 24, 1975	753.05	753.30
1/250 November 27, 1975	765.55	765.80
1/251 December 10, 1975	770.80	771.05

Forward buying rate up to three months - no charge from spot buying rate.

Forward selling rate up to three months - - /50 cts. per month premium against spot selling rate.*

Forward rates over three months and upto six months - on specific application to the Central Bank.

- Contracts to be taken up at the option of the commercial bank but at the contracted exchange rate if taken up before expiry of the contract period.

**CENTRAL BANK'S EXCHANGE RATES FOR THE ASIAN MONETARY UNIT, BANGLADESH TAKA,
INDIAN RUPEE, IRANIAN RIAL, NEPALESE RUPEE AND PAKISTAN RUPEE.**

Applicable only to operations through Asian Clearing Union.

Circular Number and Effective Date	CENTRAL BANK RATES FOR TELEGRAPHIC TRANSFERS								
	Circular No. 105 of November 03, 1975		Circular No. 108 of November 17, 1975		Circular No. 110 of December 01, 1975		Circular No. 113 of December 17, 1975		
	Buying	Selling	Buying	Selling	Buying	Selling	Buying	Selling	
Asian Monetary Unit (rupees per AMUs 100)	Spot*	894.90	895.15	893.05	893.30	898.55	898.80	904.15	904.40
Bangladesh Taka (rupees per Takas 100)	Spot**	51.97	52.03	51.96	52.02	51.96	52.02	51.98	52.04
Indian Rupee (rupees per Indian Rupees 100)	Spot**	85.20	85.26	85.20	85.26	85.20	85.26	85.59	85.65
Iranian Rial (rupees per Rials 100)	Spot**	10.93	10.95	10.88	10.90	11.00	11.02	11.13	11.15
Nepalese Rupee (rupees per Nepalese Rupees 100)	Spot**	60.58	60.64	60.32	60.38	61.00	61.06	61.70	61.76
Pakistan Rupee (rupees per Pakistan Rupees 100)	Spot**	76.43	76.50	76.10	76.16	76.97	77.03	77.85	77.91

Forward upto six months * Buying -25 cts per month discount against spot.

* Selling -25 cts per month premium against spot.

** Buying -03 cts per month discount against spot.

** Selling -02 cts per month premium against spot.

Contracts to be taken up at the option of the commercial bank but at the contracted exchange rate if taken up before expiry of the contract period.

**Commercial Banks' Exchange Rates for the Asian Monetary Unit, Bangladesh Taka,
Indian Rupee, Iranian Rial, Nepalese Rupee and Pakistan Rupee**

Commercial Banks' Rates for Clean Telegraphic Transfers

Applicable only to operations through Asian Clearing Union

	<i>Circular No. 106 of November 03, 1975</i>		<i>Circular No. 107 of November 17, 1975</i>		<i>Circular No. 111 of December 01, 1975</i>		<i>Circular No. 114, of December 17, 1975</i>	
	<i>Minimum Buying</i>	<i>Maximum Selling</i>	<i>Minimum Buying</i>	<i>Maximum Selling</i>	<i>Minimum Buying</i>	<i>Maximum Selling</i>	<i>Minimum Buying</i>	<i>Maximum Selling</i>
Asian Monetary Unit (rupees per AMUs 100)	*	**	*	**	*	**	*	**
Bangladesh Taka (rupees per Takas 100)	51.94	52.05	51.93	52.04	51.93	52.04	51.95	52.06
Indian Rupee (rupees per Ind. Rs. 100)	85.17	85.28	85.17	85.28	85.17	85.28	85.56	85.67
Iranian Rial (rupees per Rials 100)	10.90	10.97	10.85	10.92	10.97	11.04	11.10	11.17
Nepalese Rupee (rupees per Nep. Rs. 100)	60.55	60.66	60.29	60.40	60.97	61.08	61.67	61.78
Pakistan Rupee (rupees per Pak. Rs. 100)	76.40	76.52	76.07	76.18	76.94	77.05	77.82	77.93

* Not more than $-.75$ cts. below the Central Bank's buying rate.

** Not more than Rs. $1/50$ over the Central Bank's selling rate.

Central Bank's Exchange Rates for the Pound Sterling and the Indian Rupee

Circular Number and effective date	Circular No. 1 Revised - November 27, 1975		Circular No. 1 Revised - December 10, 1975	
	Central Bank Spot Buying Rates for Telegraphic Transfers	Central Bank Spot Selling Rates for Telegraphic Transfers	Central Bank Spot Buying Rates for Telegraphic Transfers	Central Bank Spot Selling Rates for Telegraphic Transfers
Sterling (Rupees per £ 100)	1559 7/8*	1561 3/8**	1559 7/8*	1561 3/8**
Indian Rupees (Rupees per 100 Indian Rupees)	84 31/32†	85 1/32††	86 1/32†	86 3/32††

Forward upto six months -

- * 21/32 of a rupee per month discount against spot.
- ** 21/32 of a rupee per month premium against spot.
- † 1/32 of a rupee per month discount against spot.
- †† 1/32 of a rupee per month premium against spot.

Contracts to be taken up at the option of the commercial bank but at the contracted exchange rate if taken up before expiry of the contract period.

Commercial Banks' Exchange Rates

Circular Number and Effective Date	Circular No. 2 Revised - November 27, 1975		Circular No. 2 Revised - December 10, 1975	
	Minimum Buying Rates Clean Telegraphic Transfers	Maximum Selling Rates Clean Telegraphic Transfers	Minimum Buying Rates Clean Telegraphic Transfers	Maximum Selling Rates Clean Telegraphic Transfers
Sterling				
(a) for amounts of £ 100 or below	Not more than 5 cts per £ 1 below the Central Bank's buying rate	Not more than 2 cts per £ 1 above the Central Bank's selling rate	Not more than 5 cts per £ 1 below the Central Bank's buying rate	Not more than 2 cts per £ 1 above the Central Bank's selling rate
(b) for amount over 100	Not more than 3 cts per £ 1 below the Central Bank's buying rate	Not more than 1.5 cts per £ 1 above the Central Bank's selling rate	Not more than 3 cts per £ 1 below the Central Bank's buying rate	Not more than 1.5 cts per £ 1 above the Central Bank's selling rate
United States Dollars (per 100 dollars)	Not more than -75 cts below the Central Bank's buying rate	Not more than Rs. 1/50 over the Central Bank's selling rate	Not more than -75 cts below the Central Bank's buying rate	Not more than Rs. 1/50 over the Central Bank's selling rate
Indian Rupee (Rupees per 100 Indian Rupees)	84 15/16	85 1/16	86	86 1/8