



BANK OF SOUTH SUDAN (BSS)

REGULATION NO. 16, 2012

LIQUIDITY MANAGEMENT

In accordance with the provisions of section 12 of the Bank of South Sudan Act, 2011, and section 66 of the Banking Act 2012 (the Banking Act), I hereby issue the following Regulation that specifies the amount of liquid assets that must be maintained by banks operating in South Sudan as well as the requirements for liquidity policies for such banks. This regulation applies to all banks operating in South Sudan.

This Regulation shall be cited as Liquidity Management, 2012, and shall come into effect as from the date of its signature.

I. General Provisions and Definitions

1. The purpose of this regulation is to:

- (a) ensure that each bank has sufficient liquidity to meet its obligations as they fall due across a wide range of operating circumstances;
- (b) provide guidance on compilation of liquidity returns;
- (c) ensure accuracy and uniformity in the computation of the liquidity ratio in the banking sector;
- (d) ensure timely submission of liquidity and maturity analysis of assets and liabilities reports to the Bank of South Sudan (BSS); and
- (e) provide guidance to banks in the formulation of liquidity management strategies, policies, procedures, management information systems, internal controls and contingency plans for unexpected distress situations.

2. The following definitions are used in this regulation:

"High quality liquid assets" include:

- (a) cash;
- (b) operating, current and/or clearing accounts and time deposits with the BSS;
- (c) call deposits, bank bills and certificates of deposit held with banks approved by the BSS;
- (d) debentures, bonds, or other debt instruments issued or guaranteed by:
 - (1) any of the entities listed in section 13(c) of the BSS Regulation No. 15, 2012 on Maximum Exposure to One Person or a Group of Interconnected Persons;
 - (2) a central government or central bank whose long-term rating is not lower than "A", or an equivalent level by an internationally-recognised rating agency whose ratings are approved for use by the BSS, provided that the value of the claim can be determined on a constant basis and the claim or guarantee can be converted to liquid funds on an immediate basis.

