



BANK OF SOUTH SUDAN (BSS)

REGULATION NO. 21, 2012

MINIMUM REQUIRED RESERVES

In accordance with the provisions of sections 12 and 56 of the Bank of South Sudan Act, 2011, I hereby issue the following Regulation on the required reserves of banks operating in South Sudan.

This Regulation shall be cited as Minimum Required Reserves, 2012, and shall come into effect as from the date of its signature.

I. Purpose and Scope

1. This regulation establishes the rules under which banks maintain minimum required reserves, a monetary policy instrument of the Bank of South Sudan for controlling the increase of bank deposits and providing minimum bank liquidity.
2. This regulation applies to branches of foreign banks in South Sudan in the same manner and to the same extent as it applies to South Sudan banks.

II. Definitions

3. In this regulation the following terms shall have the meanings assigned:

- (a) **The Bank** or the **BSS** means the Bank of South Sudan;
- (b) **Currency** means banknotes issued by the Bank that are legal tender in accordance with Article 46 of the Bank of South Sudan Act;
- (c) **Current Account** means the demand deposit balances held by a bank with the Bank.
- (d) **Deposit** means a debt liability of a bank either in account form or evidenced by an instrument issued by the bank. Deposits include borrowed funds and contingent liabilities such as derivatives contracts. Deposits do not include debt that qualifies as capital.
- (e) **Deposit Base** means the average of Reservable Deposits for a Reserve Calculation Period.
- (f) **Eligible Assets** mean a bank's deposits of South Sudanese Pounds in a Current Account at the Bank.
- (g) **Minimum Reserve Requirement** means the amount of eligible reserves a bank is required to maintain on average during a Reserve Maintenance Period.
- (h) **Pounds** mean South Sudanese Pounds (SSP).
- (i) **Reserve Calculation Period** means the semi-monthly period specified in a calendar issued by the Bank during which Reservable Deposits of a bank are recorded.
- (j) **Reservable Deposits** means balances held by a bank for depositors, other than another bank, including deposits in a current, call, savings, or time account in SSP and foreign currency, but excluding the amount of cash items in the process of collection.
- (k) **Reserve Maintenance Period** means the semi-monthly period during which a bank is required to maintain reserves against the Reservable Deposits in the related Reserve Calculation Period.
- (l) **Reserve Ratio** means the proportion of Reservable Deposits that must be maintained as reserves.

