

RBI/2022-23/141

DOR.LRG.REC.83/03.10.001/2022-23

November 23, 2022

Madam/Dear Sir,

Basel III Framework on Liquidity Standards – Standing Deposit Facility

Please refer to [circular DBOD.BP.BC.No.120/21.04.098/2013-14 dated June 09, 2014](#) on 'Basel III Framework on Liquidity Standards – Liquidity Coverage Ratio (LCR), Liquidity Risk Monitoring Tools and LCR Disclosure Standards' and the [Press Release 2022-2023/41 dated April 08, 2022](#) on operationalising of Standing Deposit Facility (SDF).

2. We have received queries from banks seeking clarification on the treatment of SDF under Liquidity Risk Management Framework.
3. Accordingly, it is advised that the overnight balances held by banks with RBI under SDF shall be eligible as 'Level 1 High Quality Liquid Assets (HQLA)' for computation of LCR.

Applicability

4. This circular is applicable to all Commercial Banks (excluding Local Area Banks, Regional Rural Banks and Payments Banks).
5. These instructions shall come into force with immediate effect.

Yours faithfully

(Usha Janakiraman)

Chief General Manager