



PUBLIC NOTICE

Guideline on Liquidity Risk Management

3 April 2019

The Bank of Mauritius (“Bank”) has revised its Guideline on Liquidity Risk Management (Guideline) to require banks to report their Liquidity Coverage Ratio (LCR) on a bimonthly basis, as at the fifteenth and the end of every month.

Rationale and purpose

The reporting of LCR was first introduced in October 2017 and was initially reported to the Bank on a monthly basis. However, the Guideline also stipulates that a bank should have the operational capacity to increase the frequency to weekly or even daily in stressed situations. The revised reporting requirements of LCR leverages on the fact that banks now have the requisite system for reporting in place and aims at having a closer monitoring of the liquidity position of banks.

Brief of revisions to the Guideline

Section 6 of Appendix 1 of the Guideline has been revised to require banks to report their LCR on a bimonthly basis, as at the fifteenth and the end of every month, not later than 10 working days after the fifteenth and the end of every month respectively.

Section 19 of Appendix 1 of the Guideline has been revised to reflect the change in reporting requirements.

Annex 2 of the Guideline has been revised to require banks to present LCR data as simple averages of bimonthly observations over a quarter.

The template for reporting of LCR has been replaced as was communicated to banks on 7 January 2019.

Effective date

The changes in the Guideline shall come into effect on 1 July 2019.

A copy of the Guideline can be accessed on the Bank’s website at the following link:

<https://www.bom.mu/financial-stability/supervision/guideline>