

South Africa: Financial Sector Assessment Program-Technical Note on Systemic Liquidity Management



SOUTH AFRICA

FINANCIAL SECTOR ASSESSMENT PROGRAM

June 2022

TECHNICAL NOTE ON SYSTEMIC LIQUIDITY MANAGEMENT

This technical note on Systemic Liquidity Management was prepared by a staff team of the International Monetary Fund in the context of a joint IMF-World Bank Financial Sector Assessment Program (FSAP). It is based on the information available at the time it was completed in June 2021.

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TECHNICAL NOTE

SYSTEMIC LIQUIDITY MANAGEMENT

Prepared By
**Monetary and Capital Markets
Department**

This Technical Note was prepared in the context of the Financial Sector Assessment Program in South Africa during June 2021 mission led by Jennifer Elliott, IMF and Eva Gutierrez, World Bank and overseen by the Monetary and Capital Markets Department, International Monetary Fund, and the Finance, Competitiveness and Innovation Global Practice, World Bank. It contains technical analysis and detailed information underpinning the FSAP's findings and recommendations. Further information on the FSAP can be found at <http://www.imf.org/external/np/fsap/fssa.aspx>

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Glossary

CB	Central Bank
CLF	Committed Liquidity Facility
CLS	Continuous Linked Settlement System
CPD	Corporation for Public Deposits
CSA	Credit Support Annex
ELA	Emergency Liquidity Assistance
ETP	Electronic Trading Platform
FX	Foreign Exchange
FMD	SARB Financial Market Department
FMLG	Financial Market Liaison Group
FSAP	Financial Sector Assessment Program
FSC	Financial Stability Committee
FSD	SARB Financial Supervision Department
FSCF	Financial Sector Contingency Forum
FSOC	Financial Stability Oversight Committee
GFC	Great Financial Crisis
GMRA	Global Repo Market Agreement
IRS	Interest Rate Swap
JIBAR	Johannesburg Interbank Average Rate
LCR	Liquidity Coverage Ratio
LOLR	Lender of Last Resort
MOU	Memorandum of Understanding
MPG	Market Practitioners Group
MRO	Main Refinancing Operation
NCD	Negotiable Certificate of Deposit
NSFR	Net Stable Funding Ratio
NT	National Treasury
O/N	Overnight
OTC	Over-the-counter
PA	Prudential Authority
PD	Primary Dealer
RPD	Resolution Planning Division
RPP	SARB Resolution Policy Panel
SABOR	South African Benchmark Overnight Rate
SADC	South African Development Community
SARB	South African Reserve Bank
SF	Standing Facility
STeFI	Short-Term Fixed Income Index