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LETTER TO ALL BANKS

REVIEW OF THE CASH RESERVE REQUIREMENT (CRR) FOR DEPOSIT MONEY BANKS

Following a review of recent developments in the economy, the Monetary Policy Committee at its 233rd meeting held on July 22nd and 23rd, 2013 resolved among others, to:

- Maintain the CRR for non-public sector deposits at 12%; and
- Introduce a 50% CRR on public sector deposits which comprise deposits of all tiers of Government, their Ministries, Departments, Agencies and Companies.

Also, the remuneration on “excess” above the cash reserve requirement of 8% is discontinued forthwith.

The implementation of these decisions will take effect from the next CRR maintenance period commencing August 7, 2013.

In order to enhance the rendition of returns on Government deposits, banks are henceforth required to separately report the details of Federal, State and Local Government deposits as additional memorandum items in their Monthly Bank Return/Daily Bank Return (MBR 300/DBR 300) as shown below. This is without prejudice to other returns on deposit.

S/N	ITEM CODE IN MBR/DBR 300	DESCRIPTION IN MBR/DBR 300	NEW REPORTING REQUIREMENT
1	20170	Federal Government Demand Deposits	All Federal Government MDAs and Companies' Naira Deposits
2	20171	Federal Government Time Deposits	All Federal Government MDAs and Companies' Domiciliary Accounts Deposits in Naira
3	20180	State Government Demand Deposits	All State Government MDAs and Companies' Naira Deposits
4	20181	State Government Time Deposits	All State Government MDAs and Companies' Domiciliary Accounts Deposits in Naira
5	20182	Local Government Demand Deposits	All Local Government MDAs and Companies' Naira Deposits
6	20183	Local Government Time Deposits	All Local Government MDAs and Companies' Domiciliary Accounts Deposits in Naira

Please note that the CBN will closely monitor the implementation of these decisions. Banks are therefore enjoined to ensure strict compliance with this directive and render their reports transparently and accurately as any deviation will attract **SEVERE** sanction.

Please be guided accordingly.

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FOR: DIRECTOR OF BANKING SUPERVISION