

# **MMA MONETARY OPERATIONS MANUAL**

## **Section 3**

### **Overnight Deposit Facility**

**14 February 2011**

#### **3.1 Introduction**

The purpose of the MMA's Overnight Deposit Facility is to enable the commercial banks to place their excess funds denominated in Rufiyaa, with MMA on an overnight basis upon their request.

#### **3.2 Eligibility**

The Overnight Deposit Facility is available only to commercial banks. All transactions will be conducted under the terms and conditions in this Manual.

#### **3.3 Duration, availability, pricing and transaction amounts**

The Overnight Deposit Facility will be available on an overnight basis.

The Overnight Deposit Facility is available on all banking days, and commercial banks are required to submit the Overnight Deposit Facility Form between the hours of 8.30am to 1.00pm and settlement is for same day value (T+0) before 1.30pm. The MMA will adhere strictly to these stated times.

If the maturity date in respect of the Overnight Deposit Facility transaction is a bank holiday, any obligation of a party to such a transaction arising on such day shall be carried out by such party on the immediately succeeding business day.

The interest rate (Deposit rate) for the Overnight Deposit Facility will be set by the MMA. Any change in the Deposit rate will be published on the web page ([www.mma.gov.mv](http://www.mma.gov.mv)).

The Overnight Deposit Facility is available in transaction amounts of a minimum of Rf. 1,000,000 and in multiples of the same thereafter.

#### **3.4 Settlement and Confirmation**

The commercial banks who wish to use the Overnight Deposit Facility are required to complete and submit the Deposit Facility Form signed by authorized signatories to the MMA within the prescribed time. The amount indicated would be placed under the Overnight Deposit Facility

Account at MMA the same day.

On the maturity date, at or before 09.30am, MMA will transfer the placements in the Overnight Deposit Facility Account together with the interest applicable to the respective bank's current account with MMA.

The MMA will promptly provide written confirmations for all Overnight Deposit Facility transactions.