



ශ්‍රී ලංකා මහ බැංකුව
இலங்கை மத்திய வங்கி
CENTRAL BANK OF SRI LANKA

බැංකු අධීක්ෂණ දෙපාර්තමේන්තුව

வங்கி மேற்பார்வைத் திணைக்களம்

Bank Supervision Department

02/17/500/0540/001

05 April 2013

To: CEOs of All Licensed Commercial Banks

**Definition of Liquid Assets under Section 86 of the
Banking Act No. 30 of 1988, as Amended**

The Monetary Board has determined that investments in Gilt Unit Trusts (GUTs) by Licensed Commercial Banks shall be treated as liquid assets in terms of item (g) of the definition of "liquid assets" under Section 86 of the Banking Act, No. 30 of 1988, subject to the following conditions.

- GUTs should be open ended mutual funds.
- Underlying investment portfolio of GUTs should always be Sri Lanka Government Securities
- Only 90% of investments in GUTs should be treated as liquid assets.

Licensed Commercial Banks are further informed that, the eligible value of the investments in GUTs be reported under code number 4.1.2.4.0.0 of the monthly web based return on Statutory Liquid Assets Ratio for Domestic Banking Unit (BSD-MF-04-LD).

Yours faithfully

(Mrs.) T M J Y P Fernando
Director of Bank Supervision