



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA
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December 4, 2020

All Regional Rural Banks

Madam/ Sir,

Introduction of Liquidity Adjustment Facility (LAF) and Marginal Standing Facility (MSF) for Regional Rural Banks (RRBs)

In order to provide an additional avenue for liquidity management to Regional Rural Banks (RRBs), it has been decided that Liquidity Adjustment Facility (LAF) and Marginal Standing Facility (MSF) will be extended to Scheduled RRBs meeting the following criteria:

- i. Implemented Core Banking Solution (CBS)
- ii. There is a minimum CRAR of nine per cent and
- iii. Fully compliant with the terms and conditions for availing LAF and MSF issued by Financial Markets Operations Department (FMOD), Reserve Bank of India.

2. The names of RRBs which meet the eligibility norms to participate in LAF and MSF (Positive List) and of those RRBs found ineligible (Negative List) will be intimated to the banks concerned. The eligibility status of the banks will be reviewed on an ongoing basis.

3. The effective date from which the RRBs will be eligible to avail of LAF and MSF will be intimated separately.

Yours faithfully,

(Thomas Mathew)
Chief General Manager