



Cash Reserve and Liquidity Requirements in Pakistan: History (as percent of demand and time liabilities in Pakistan)

| Cash Reserve Requirement | | Statutory Liquidity Requirement | |
|----------------------------------|--|--|--|
| Effective from | Ratio in % | Effective from | Ratio in % |
| 1 st July, 1948 | 5 of Demand liabilities and 2 of time liabilities | 1 st July, 1948 | 15 |
| 25 th July, 1963 | 5 of DTL | 1 st September, 1967 | 20 |
| 1 st April, 1965 | 6.25 | 9 th June, 1972 | 25 |
| 1 st May, 1965 | 7.50 | 16 th August, 1973 | 30 |
| 21 st August, 1965 | 6.25 | 13 th August, 1992 | 35 |
| 17 th September, 1965 | 5 | 19 th December, 1992 | 40 |
| 16 th June, 1967 | 6.25 | 27 th October, 1993 | 30 |
| 19 th January, 1968 | 5 | 1 st March, 1994 | 25 |
| 24 th October, 1991 | 5 ⁱ | 28 th May, 1997 | 20 |
| 15 th January, 1992 | 5 | 2 nd January, 1998 | 18 |
| 9 th February, 1995 | 5 ⁱⁱ | 22 nd June, 1998 | 15 |
| 18 th July, 1995 | 5 | 19 th May, 1999 | 13 |
| 19 th December, 1995 | 5 ⁱⁱⁱ | 12 th July, 1999 | 15 |
| 1 st July, 1996 | 5 | 22 nd July, 2006 | 18 |
| 28 th July, 1997 | Average 5 - Minimum 4 | 24 th May, 2008 | 19 |
| 22 nd June, 1998 | 3.75 Rupee liabilities- 5 Foreign liabilities ^{iv} | 18 th October, 2008 | 19 on Demand Liabilities. 0 on Time Liabilities |
| 5 th September, 1998 | Average 5 - Minimum 4 | Notes ➤ For calculation of reserve/liquidity requirement upto 1999 the base included demand and time deposits (general), inter bank borrowings/deposits and other demand and time liabilities. However, with effect from May 15, 1999 the interbank borrowings/deposits and other liabilities have been excluded from the base. ➤ Officially cash reserve requirement stands excluded from the definition of liquidity ratio with effect from March 1, 1994. To make it comparable, the liquidity ratios of earlier periods have also been adjusted by excluding cash reserve requirement. ➤ The system of averaging of reserve balances over the week with minimum daily floor was introduced w.e.f. July 28, 1997. ➤ The reserve maintenance period changed from weekly to bi-weekly w.e.f. October 12, 2012. | |
| 19 th May, 1999 | Average 3.50 - Minimum 2.50 | | |
| 12 th July, 1999 | Average 5 - Minimum 4 | | |
| 7 th October, 2000 | Average 7 - Minimum 6 | | |
| 16 th December, 2000 | Average 5 - Minimum 4 ^v | | |
| 30 th December, 2000 | Average 5 - Minimum 3 ^{vi} | | |
| 5 th January, 2006 | Average 5 - Minimum 4 | | |
| 22 nd July, 2006 | Average 7 - Minimum 4 on Demand Liabilities Average 3 - Minimum 1 of Time Liabilities | | |
| 19 th January, 2007 | Average 7 - Minimum 6 on Demand Liabilities Average 3 - Minimum 2 of Time Liabilities | | |
| 4 th August, 2007 | Average 7 - Minimum 6 on Demand Liabilities 0 on Time Liabilities | | |
| 2 nd February, 2008 | Average 8 - Minimum 7 on Demand Liabilities 0 on Time Liabilities | | |
| 24 th May, 2008 | Average 9 - Minimum 8 on Demand Liabilities 0 on Time Liabilities | | |
| 11 th October, 2008 | Average 8 - Minimum 7 on Demand Liabilities 0 on Time Liabilities | | |
| 18 th October, 2008 | Average 6 - Minimum 5 on Demand Liabilities 0 on Time Liabilities | | |
| 1 st November, 2008 | Average 5 - Minimum 4 on Demand Liabilities 0 on Time Liabilities | | |
| 12 th October, 2012 | Average 5 - Minimum 3 on Demand Liabilities 0 on Time Liabilities | | |



ⁱ Excluding Special Cash Deposit equivalent to 7% of their total outstanding credit remunerable at the maximum rate of 10% per annum from 9th October 1991.

ⁱⁱ Excluding Special Deposit equivalent to 1.5% of their total demand and time liabilities remunerable at the rate of 11.5% on annual basis from 9th February 1995 till 18th December 1995.

ⁱⁱⁱ Excluding Special Deposit equivalent to 3.5% of their local demand and time liabilities remunerable at a maximum rate of 9.2% on annual basis from 19th December 1995. On December 20, banks were given option to enter into repo transaction of MRTBs with SBP. The requirement was withdrawn with effect from July 1, 1996.

^{iv} Average was temporarily suspended

^v Banks were, however, required to keep special deposits equivalent to 2% of their demand and time liabilities as of December 9 along with option to purchase from SBP MRTBs on one-month repo basis @ 10% per annum.

^{vi} After January 5, 2001 the old ratio was reinforced