

Standing Deposit Facility – Scheme

The salient features of the Scheme are as under:

1. Effective Date

This facility will be effective from April 08, 2022.

2. Eligibility Criteria

All liquidity adjustment facility (LAF) participants will be eligible to participate in the SDF scheme.

3. Tenor

Under the SDF, the eligible entities can place deposits with the RBI on an overnight basis. The RBI, however, retains the flexibility to absorb liquidity for longer tenors under the SDF with appropriate pricing, as and when the need arises.

4. Timing

The overnight SDF facility will be available between 17:30 hrs to 23:59 hrs on all days, including Sundays and holidays and would be reversed on the following working day in Mumbai.

5. Rate of Interest

The rate of interest on amount deposited under this facility will be as decided by the RBI from time to time. Effective April 8, 2022, it will be at 25 basis points below the policy repo rate, i.e., at 3.75 per cent.

6. CRR and SLR Eligibility

Deposits under the SDF shall not be reckoned as balances eligible for the maintenance of the cash reserve ratio (CRR) under Section 42 of the RBI Act, 1934, but shall be an eligible asset for maintenance of the statutory liquidity ratio (SLR) under Section 24 of the Banking Regulation Act, 1949.

7. Mechanics of Operation

7.1 SDF operations will be conducted on the RBI's e-Kuber system, where banks can submit their bids through electronic mode.

7.2 The overnight SDF would be operated under Straight Through Processing (STP) mode.

7.2.1 Under the STP mode, the bids would be settled automatically and immediately on receipt by e-Kuber system with concurrent debit of funds so as to ensure efficient and faster processing. The transactions undertaken by the participant shall be final and any request for cancellation/ modification of the bids shall not be entertained.

7.2.2 Participants will have the option to use the SDF-ASISO (Automated Sweep-In and Sweep-Out facility) wherein depending upon a pre-set limit, the SDF bids will be triggered automatically without any manual intervention at the end of the day. For details on the SDF-ASISO, please refer to Serial No. 8 below.

7.2.3 The STP-based operations (including ASISO) would be available on all days, including Sundays and holidays and would be reversed on the following working day in Mumbai.

7.3 Bid Submission

The minimum bid size under SDF is Rupees one crore and in multiples thereof. There is no ceiling on the bid amount.

7.4 Bid processing

These operations will be conducted at the prevailing SDF rate under the STP mode.

7.5 Settlement and Reversal

7.5.1 The allotment will be in multiples of Rupees one crore. The settlement of transactions for overnight fixed rate operation will be on a continuous basis (STP). The reversal of overnight SDF transactions would be at the start of day on the following working day in Mumbai.

7.5.2 In case of an unscheduled holiday, the reversals scheduled for that day will take place on the following working day in Mumbai. The RBI will pay interest for the additional day(s).

7.6 Communication and disclosure

Information on the overnight SDF will be published in the Money Market Operation (MMO) press release on the following working day in Mumbai.

8. SDF-Automated Sweep-In and Sweep-Out (ASISO) facility for end of the day operations:

- a) All eligible SDF participants can avail this facility in case of the overnight fixed rate SDF.
- b) Participants desirous of availing the SDF-ASISO facility are required to enable the same in the e-Kuber portal.
- c) The facility to set/modify ranges for the end of the day current account balances is available on all days between 9 AM and 11:30 PM.
- d) Participants using the facility can set maximum balance limit (in ₹ crore) for their current accounts linked to SDF operations.
- e) At the end of the day, the system compares the above limit with the participants' current account balances after completion of all transactions (including day-end standing instructions, if any) and accordingly auto-triggers SDF as explained below.
- f) If a participant's current account balance is greater than the set maximum balance, the system auto-triggers an SDF bid for the difference (rounded down to ₹1 crore) between the set maximum balance limit and the current account balance.
- g) Once set, these limits remain in force unless modified and will be applicable on all days. Participants can disable the SDF-ASISO facility in the e-Kuber portal at any time before 11.30 PM on all days, if they do not wish to use the same.
- h) The auto-triggered SDF bids, if any, form part of that day's SDF operations. All other terms and conditions applicable to the SDF operations are also applicable to auto-triggered bids.

- i) Participants using this facility are expected to judiciously set the limit for end of the day current account balances as it will affect their daily CRR maintenance. The RBI will not be held responsible for any failure in maintaining the required CRR by any participant, on account of usage of this facility.

9. Contact/Support

All queries/clarifications regarding this facility may be directed to Financial Markets Operations Department through [e-mail](#) and/or Phone (022-22630982/022-22630008). All technical issues may be directed to e-Kuber Helpdesk through [email](#) with a copy to laffmd@rbi.org.in and/or Phone (022-27595662/67/022-27595591/92/93/94).