



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	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 ²	28 th May, 1997	20
15 th January, 1992	5	2 nd January, 1998	18
9 th February, 1995	5 ³	22nd June, 1998	15
18 th July, 1995	5	19th May, 1999	13
19 th December, 1995	5 ⁴	12th July, 1999	15
1 st July, 1996	5	22nd July, 2006	18
28 th July, 1997	Average 5 - Minimum 4	24th May, 2008	19
22nd June, 1998	3.75 Rupee liabilities- 5 Foreign liabilities ⁵	18th October, 2008	19 on Demand Liabilities. 0 on Time Liabilities
5th September, 1998	Average 5 - Minimum 4	<p>Notes</p> <ul style="list-style-type: none"> ➤ 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 was changed from weekly to bi-weekly w.e.f. October 12, 2012. 	
19th May, 1999	Average 3.50 - Minimum 2.50		
12th July, 1999	Average 5 - Minimum 4		
7th October, 2000	Average 7 - Minimum 6		
16th December, 2000	Average 5 - Minimum 4 ⁶		
30th December, 2000	Average 5 - Minimum 3 ⁷		
5th January, 2006	Average 5 - Minimum 4		
22nd July, 2006	Average 7 - Minimum 4 on Demand Liabilities Average 3 - Minimum 1 of Time Liabilities		
19th January, 2007	Average 7 - Minimum 6 on Demand Liabilities Average 3 - Minimum 2 of Time Liabilities		
4th August, 2007	Average 7 - Minimum 6 on Demand Liabilities ⁸ 0 on Time Liabilities		
2nd February, 2008	Average 8 - Minimum 7 on Demand Liabilities 0 on Time Liabilities		
24th May, 2008	Average 9 - Minimum 8 on Demand Liabilities 0 on Time Liabilities		
11th October, 2008	Average 8 - Minimum 7 on Demand Liabilities 0 on Time Liabilities		
18th October, 2008	Average 6 - Minimum 5 on Demand Liabilities 0 on Time Liabilities		
1st November, 2008	Average 5 - Minimum 4 on Demand Liabilities 0 on Time Liabilities		
12th October, 2012	Average 5 - Minimum 3 on Demand Liabilities 0 on Time Liabilities		
12th November, 2021	Average 6 - Minimum 4 on Demand Liabilities 0 on Time Liabilities ⁹		



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¹ DTL stands for Demand and Time Liabilities

² 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.

³ 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.

⁴ 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.

⁵ Average was temporarily suspended

⁶ 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.

⁷ After January 5, 2001, the old ratio was reinforced

⁸ Definition of Time and Demand Liabilities was revised. As per new definition, Time liabilities will include Time Deposits with tenor of 1 year and above. Accordingly Time Deposits with tenor of less than 1 year will become part of Demand Liabilities.

⁹ The revised average CRR of 6% is effective from November 12, 2021 whereas the revised daily minimum requirement of 4% is effective from November 15, 2021.