

**Circular to Credit Institutions on the treatment of central bank reserves with regards to the
Liquidity Coverage Requirement (LCR)**

The European Central Bank (ECB) and National Competent Authorities (*inter alia* MFSA), have reached a common understanding on the recognition of withdrawable central bank reserves as Level 1 assets when calculating the LCR in accordance with the Commission Delegated Regulation (EU) 2015/61. This understanding has emanated from Article 416 (1) (a) of the Regulation (EU) No 575/2013 and Article 10 (1) (b) (iii) of the Commission Delegated Regulation (EU) 2015/61 of 10 October 2014. The ECB publication can be accessed through the following [link](#). This development was also communicated by the Central Bank of Malta through a [financial stability notification](#).

The procedure described in this ECB publication shall apply to the calculation of the LCR DA as of 1 October 2015.

Communications Unit

Malta Financial Services Authority

20th October 2015