



South African Reserve Bank

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**PRESS RELEASE BY THE SOUTH AFRICAN RESERVE BANK REGARDING THE
ISSUING OF AN IMPLEMENTATION PAPER ON MODIFICATIONS TO ITS MONEY
MARKET OPERATIONS**

Reference is made to our press releases of 3 June and 10 December 2004, which announced the project relating to the review of the Reserve Bank's operations in the domestic money market and assessing the functioning of the money market in general.

Since launching the project, the Reserve Bank has completed a market survey and held a series of discussions with participants in the domestic money market. Following the analysis of the survey results and interactions with market participants, the Reserve Bank issued a consultative paper in order to solicit wider comment and input from the market prior to announcing any changes to the current refinancing procedures.

Various comments were received from market participants on the proposals contained in the consultative paper. Discussions were also held with the Money Market Liaison Group (MMLG), a working group between the Reserve Bank and a range of institutions and associations involved in the money market, established recently in order to enhance the Reserve Bank's communication with the market and its monitoring of market developments.

The implementation paper issued today sets out the modifications to the Reserve Bank's refinancing system, the implementation programme of which will commence on Wednesday, 25 May 2005.

The Operational Notice which clarifies the procedures governing participation in the Bank's refinancing operations, is currently being updated and will be published on the Bank's website prior to 25 May 2005.

The Implementation Paper can be viewed on the Reserve Bank website, www.reservebank.co.za.

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