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South African Reserve Bank

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Financial Markets Department

Notice: Revisions to bank quotas and the liquidity surplus

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The South African Reserve Bank's (SARB) tiered-floor system for implementing monetary policy provides banks with quotas for excess reserves. All balances within quotas earn the policy rate, while balances above quotas earn 100 basis points below the policy rate.

Quota allocations are reweighted every six months based on changes in banks' liabilities or as the SARB makes changes to the liquidity position, among other things, to give effect to the settlement arrangement for the Gold and Foreign Exchange Contingency Reserve Account (GFECRA).

Under the terms of the GFECRA agreement, the SARB is set to transfer R56 billion to National Treasury in August and December 2026. The transfers in August will comprise R10 billion on 4 August and R15 billion on 28 August. The remaining balance will be transferred at a later date, to be confirmed as part of the next quota review in December.

Previously, the SARB adjusted the liquidity surplus and quotas in line with these transfers. However, it will not adjust the current quotas or liquidity target as the GFECRA transfer will be offset by liquidity flows associated with central counterparty (CCP) deposits to the SARB. Consequently, the liquidity target band will remain unchanged, ranging from R145 billion to R225 billion.

The next reweighting assessment is scheduled for December 2026. Any revisions to the quotas will be published in a notice.

For more information, please contact FMD-InterestRate@resbank.co.za.