



GUIDELINES ON STANDING FACILITIES

BANK OF SIERRA LEONE

SEPTEMBER 2026

PREAMBLE

The Bank of Sierra Leone (BSL), as a step towards enhancing its Monetary Policy implementation introduced the BSL's Standing Facilities Window, a short-term liquidity management instrument.

Standing Facilities are monetary policy instruments used by BSL to provide for commercial banks on a daily basis the possibility for deficit banks to raise overnight credit and/or for surplus banks to deposit money at the Central Bank.

The Standing Facility is a two-sided discount window that will allow eligible counterparties to borrow or deposit on an overnight basis. It is intended to reduce the day-to-day interest rate volatility and enhance market confidence that liquidity needs shall be met in times of stress.

The implementation of this framework aims at ensuring that the overnight interbank rate fluctuates within a Corridor around the Monetary Policy Rate (MPR). Interbank Institutions would transact among themselves at rates within this corridor to meet their overnight liquidity needs before utilising BSL's standing facilities. The framework is introduced to ensure that overnight interbank rates trade within this Corridor by providing a lending/funding facility and a deposit/acceptance facility at the upper (ceiling rate) and lower limit (floor rate) of the Corridor respectively.

The usage of the BSL's Standing Facility window confirms that the User has read, understood and agreed to the terms and conditions set out herein. The Corridor system is transparent to all Interbank Institutions and will be revised in line with any changes in the MPR.

For any clarification on the Guidelines, enquiries can be directed to:-

Financial Markets Department
7th Floor, Main Bank Building
Bank of Sierra Leone
Freetown
Sierra Leone

PART I GENERAL

1.0 Introduction

These Guidelines on Standing Facilities is issued pursuant to sections 55(1)(b) and 57 of the Bank of Sierra Leone Act 2019.

Any part of these Guidelines and Appendices may, from time to time, be varied, added or revoked at the absolute discretion of Bank of Sierra Leone.

2.0 Coverage

These Guidelines shall be applicable to all commercial banks and shall be read in conjunction with:-

- i. Master Repurchase Agreement
- ii. Operational Procedures for the issuance of Government Securities;
- iii. Any other rules, guidelines, codes and directives issued by BSL from time to time.

3.0 Interpretations

Unless the context otherwise requires, the following expressions shall bear the following meanings hereby respectively assigned to them, namely: -

“BSL” means Bank of Sierra Leone, a body corporate which continues to exist under the Bank of Sierra Leone 2019;

“Business Day” means any Calendar Day from Monday to Friday except a public and bank holiday;

“Corridor” refers to the operating band around the MPR in which the overnight interbank rate is allowed to fluctuate;

“Lending Facility” means the lending facility as set out by BSL to meet temporary liquidity needs of Interbank Institutions subject to the terms and conditions set out in these Guidelines;

“Ceiling Rate” refers to the upper limit of the Corridor at which BSL will lend to Interbank Institutions under the Lending Facility;

“Deposit Facility” means the placement of funds by Interbank Institutions on an overnight basis with BSL subject to the terms and conditions set out in these Guidelines;

“Floor Rate” refers to the lower limit of the Corridor which is the rate at which excess funds are placed by Interbank Institutions with BSL;

“Guidelines” mean these Guidelines on Standing Facilities;

“Haircut” means the percentage reduction in the value of the eligible collateral imposed by the BSL when accepting the collateral from eligible counterparties for the lending facility. For example, a 5% haircut on NLe1,000,000 Treasury Bills/Bonds used as collateral implies that the repo borrower could only take out a loan for NLe950,000.

“Master Repurchase Agreement” means the outright sale of eligible Securities to BSL by Interbank Institutions for an arranged term with the agreement to buy back the eligible Securities on a stipulated date, as governed by the BSL Master Repurchase Agreement;

“Monetary Policy Committee (MPC)” a committee that sits once every quarter to look at Macroeconomic developments and their implications for monetary policy management as well as to review BSL’s MPR;

“Standing Facilities” means the Lending Facility and Deposit Facility offered by BSL under these Guidelines;

“Securities” means Treasury bills and Treasury bonds issued by the Government of Sierra Leone or the Bank of Sierra Leone.

PART II

STANDING LENDING FACILITY

4.0 Standing Lending Facility

4.1 The Standing Lending Facility shall be provided by BSL to commercial banks that have signed the Master Repurchase Agreement.

4.2 Securities that qualify for the Overnight Repurchase Agreement are the Sierra Leone Government Securities (Treasury Bills and Treasury Bonds up to but not more than five years) and the BSL Securities where applicable.

5.0 Haircuts

To protect BSL from the associated market risks of holding collaterals, the following haircuts shall be applicable to the value of the collaterals.

Remaining Months/Years to Maturities				
	0 to <3 Months	3 to <6 Months	6 to <9 Months	9 to <12 Months
Treasury Bills & Treasury Bonds	10.00%	11.00%	12.00%	13.00%
	1 to <2 Years	2 to <3 Years	3 to <4 Years	4 to 5 Years
Treasury Bonds	17.00%	18.00%	19.00%	20.00%

6.0 Penalty

In a situation of default, BSL retains the absolute right and discretion to impose a penalty as prescribed in Appendix II.

7.0 Interest Terms on Lending Facility

7.1 The interest rate on the overnight Lending Facility shall be fixed at the Ceiling Rate. Upon announcement of a change in the MPR, the new ceiling rate shall be effective accordingly.

7.2 The interest is calculated as a simple interest rate with day-count convention of “actual/365”.

PART III

STANDING DEPOSIT FACILITY

8.0 Standing Deposit Facility

Commercial banks can use the Deposit Facility to place overnight excess funds with a minimum amount of **SLE1.0** million with BSL and a maximum amount of **SLE10.0** million which may be revised at the discretion of BSL.

9.0 Interest Terms on Deposit Facility

9.1 The interest rate on the deposit facility shall be fixed at the Floor Rate. The interest shall be payable upon maturity of the deposit and shall be calculated as a simple interest rate with day-count convention of “actual/365”. Upon announcement of a change in the MPR, the new Floor Rate shall be effective accordingly.

9.2 No collateral shall be given by BSL to the Interbank Institutions under the Deposit Facility. The operational procedures relevant to Deposit Facility are as set out in **Appendix III**.

PART IV

ACCESS TO STANDING FACILITIES

10.0 Access Conditions

10.1 The Standing Facilities are available to all commercial banks on a daily basis.

10.2 Commercial Banks shall submit their request electronically through the CSD Platform held at the Bank of Sierra Leone, not later than 16:00hrs GMT.

10.3 Commercial banks shall bear any cost incurred for extension of RTGS closing time if they fail to meet the deadline for requesting Standing Facilities.

10.4 Subject to the terms and conditions in these Guidelines, BSL may place a limit to the amount an Interbank Institution may deposit/place under the Overnight Deposit Facility. Under the Lending Facility, the amount borrowed is subject to sufficient underlying eligible Securities.

11.0 Review and Amendment

BSL may from time-to-time revise/amend the terms and conditions in these Guidelines to meet the overall objective of BSL's monetary policy stance.

12.0 EFFECTIVE DATE

These Guidelines shall be effective from the date of its publication in the Gazette.

APPENDIX I

A1a. Eligible Securities

Eligible Securities that qualify for the Lending Facility are as follows:-

- i. Securities issued by Government of Sierra Leone with maturity of up to 5 years;
- ii. Securities issued by Bank Sierra Leone;
- iii. Any Other Securities that may be specified by BSL.

A1b. Eligible Currencies

The eligible Currencies that qualify for the Overnight Facilities are:

- i. Domestic currency of Sierra Leone, the **LEONE**;
- ii. Any other currencies that may be specified by BSL.

APPENDIX II

A2. Settlement and Penalties

A2a. Settlement

Settlement of all Lending Facility will be on a basis of Delivery Versus Payment (DvP). Current accounts of Interbank Institutions with BSL requesting for the use of the facility will be debited with the amount.

Interbank institutions shall ensure that their current accounts are sufficiently funded to meet the settlement obligations arising for such requests.

A2b. Penalties

If technical or procedural issues lead to a default on the lending facility at buyback despite the eligible counterparty being solvent and liquid, the BSL retains the absolute right and discretion to charge interest for the additional day(s) the facility was held by the bank(s).

APPENDIX III

A3. Operational Procedures for Standing Facilities

A3a. Deposit / Acceptance Facility

For **Deposit / Acceptance Facility**, the following timeline must be adhered to:

Utilisation of Deposit/Acceptance Facility	Cut-off Time
Initiation of Deal	
Request to BSL to use Facility	16:00
Transfer of cash to BSL	16:30
Overnight	
BSL transfers cash back to Interbank Institution	10:00
BSL pays interest on overnight deposit	10:00

A3b. Lending / Funding Facility

For **Lending / Funding Facility**, the following timeline must be adhered to:

Utilisation of Lending/Funding Facility	Cut-off Time
Initiation of Deal	
Request to BSL to use Facility	16:00
Transfer of Securities to BSL	16:15
BSL lends to Interbank Institution upon receipt of Securities (DvP)	16:30
Overnight	
Interbank Institution pays BSL (Principal plus interest)	10:00
BSL returns Securities to Lender	10:00