



**BANK NEGARA MALAYSIA**  
CENTRAL BANK OF MALAYSIA

# **Investment Account Reporting Manual Part B (Liquidity)**

BNM/RH STD029- 4	Islamic Banking and Takaful Department	Investment Account – Reporting Manual Part B (Liquidity)
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## Table of Contents

1.	General instructions .....	1
2.	Reporting form cover .....	2
3.	Total surplus or shortfall .....	3
4.	Summary of maturity mismatch reporting for investment accounts .....	4

## 1. General instructions

1.1. This reporting manual sets out the liquidity reporting requirements for Islamic Financial Institutions (IFI)s under the Investment Account Framework (IA Framework). The liquidity reporting under the IA Framework complements and would affect the liquidity reporting under the Liquidity Framework<sup>1</sup> [i.e. Liquidity report under the STATsmart]. When completing the reporting forms, reference should be made to the instructions given in the reporting manual, the IA Framework as well as the Liquidity Framework.

1.2. The reporting requirement is applicable to all IFIs that offer Investment Accounts.

1.3. IFIs are required to submit the completed reporting forms via E-Survey according to the following schedule, which coincides with the submission frequency and timeline of the Liquidity Framework:

No	Level	Frequency	Submission Date	First Submission
1.	Domestic	Monthly	No later than 17 <sup>2</sup> days after month-end reporting date	As & when there is Investment Account product

1.4. Hardcopy submissions of the reporting forms are not required.

1.5. The reporting forms have included pre-programmed formulae for ease of computation. In this regard, IFIs should not tamper with the reporting forms in any way either by adding rows and columns or changing the formulae of the cells, except where it is specifically allowed.

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<sup>1</sup> Refers to Liquidity Framework BNM/RH/GL/002-12 and BNM/RH/GL/001-07 as well as the Guidelines on Liquidity Management Framework for DFIs (BNM/DFI/GP5). Following the issuance of the policy document on Liquidity Coverage Ratio, IFIs licensed under IFSA and licensed bank and licensed investment bank under the FSA approved under section 15(1)(a) of the FSA to carry on Islamic banking business are not required to submit the Liquidity Framework Reporting for Investment Account starting from 1 June 2015.

<sup>2</sup> 15 days for Development Financial Institutions.

BNM/RH STD029- 4	Islamic Banking and Takaful Department	Investment Account – Reporting Manual Part B (Liquidity)	Page 2/6
------------------	--	--	----------

- 1.6. Cells shaded with yellow must be filled. Where information is not available, please insert "0" in the corresponding cell. Failure to fill in all the yellow cells may affect application of pre-programmed formulae. No text such as "n/a" shall be entered in these cells. Cells shaded with green are to be filled in with information. IFIs may leave the cell blank if not relevant. Cell shaded with orange contains main formula.
- 1.7. All amounts shall be reported in nearest thousands ('000) of Malaysian Ringgit. Non-Malaysian Ringgit exposures must be translated into its Malaysian Ringgit equivalent based on the foreign exchange rates as at the reporting date.
- 1.8. The Supplementary Information under the reporting for Liquidity Framework for the IFIs shall exclude amounts related to Investment Accounts.

## **2. Reporting form cover**

- 2.1. For each reporting submission, IFIs are required to complete the cover of the reporting forms accurately. The 'Name of Islamic Bank', 'Reporting Date' and 'Reporting Type' can be selected from the available drop down list.
- 2.2. The Bank places significant emphasis on the quality of information submitted by IFIs. In this regard, the Chief Financial Officer of the IFI is primarily responsible and will be held accountable for the quality of information submitted in all reporting forms to the Bank under the Framework. The 'Person-In-Charge' would be the main contact person in the event that the Bank requires clarification on the information submitted in the reporting forms. Hence, it is important to ensure that the officer named should be available and able to provide immediate respond to any queries by the Bank. In the event that the main person-in-charge is unavailable, the Bank requires IFIs to provide the contact details of an alternate officer to facilitate the communication process.

BNM/RH STD029- 4	Islamic Banking and Takaful Department	Investment Account – Reporting Manual Part B (Liquidity)	Page 3/6
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### 3. Total surplus or shortfall

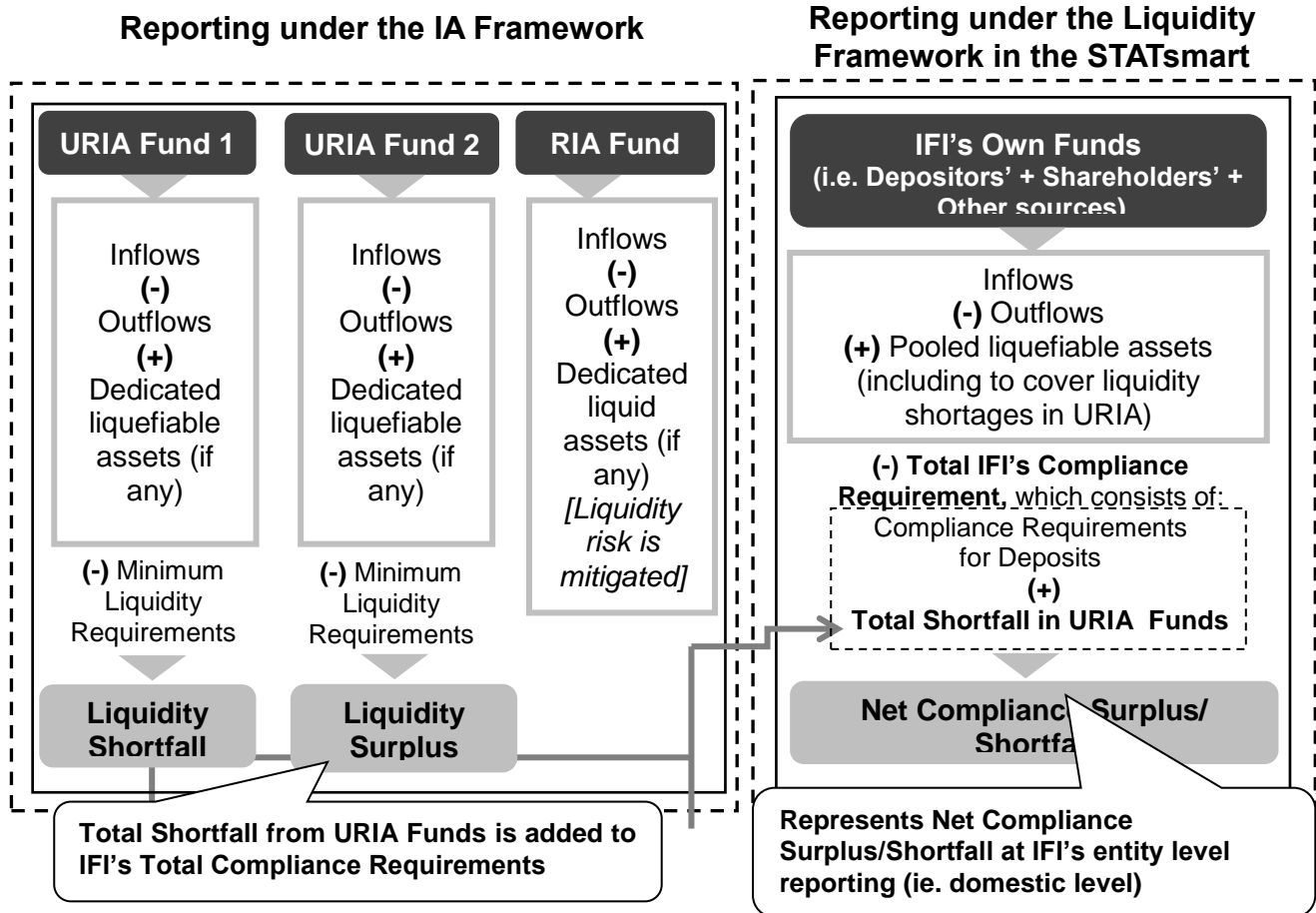
3.1. The Total Surplus or Shortfall report compiles amounts of surplus or shortfall from various URIA and RIA funds as follows:

- (i) For URIA funds, the Net Liquidity Requirement Surplus/ (Shortfall) for each URIA fund derived from URIA Fund worksheets such as “URIA Fund 1” shall be reported. The **Total Net Liquidity Requirement Shortfall** of the URIA Funds needs to be added to the calculation of "Compliance Requirement as Agreed with BNM<sup>3</sup>" at IFI's level reporting under Liquidity Framework in the STATsmart. This will consequently impact the IFI's "Total Net Compliance Surplus or Shortfall" under the Liquidity Framework (ie. to determine IFI's compliance at entity level). For this purpose:
  - The Total Net Liquidity Requirement Shortfall for URIA Funds shall be reflected in the reporting under the Liquidity Framework, as an **additional** amount to the line item “Compliance Requirement as Agreed with BNM” in the Summary of Maturity Mismatch Reporting at the IFI level.
  - The Net Liquidity Requirement Shortfall of URIA Funds will either **reduce** the Net Compliance Surplus or **increase** Net Compliance Shortage at IFI level.
- (ii) For RIA funds, the total Available Cumulative Mismatch for all of RIA funds shall be reported for monitoring purpose only.

The above requirement is depicted in the Diagram 1 below. Please also refer to paragraph 28 in the IA Framework for further information.

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<sup>3</sup> Which are 3% & 5% of IFI's total outstanding deposits for 1 week and 1 month maturity tenor buckets as per the requirements in Liquidity Framework. These deposits exclude investment accounts (ie. URIA and RIA) as defined under the IA Framework, but still include the General and Specific Investment Account (ie. GIA and SIA) as well as any other items defined as deposits under the BAFIA 1983.

**Diagram 1**

#### 4. Summary of maturity mismatch reporting for investment accounts

- 4.1. The reporting template is divided into two segments namely URIA and RIA Fund.
- 4.2. IFI is required to complete both segments of reporting forms subject to availability of the investment account product. IFI shall add a new worksheet for each additional URIA fund. For example, the reporting template already contains worksheet for URIA Fund 1. A new worksheet entitled 'URIA Fund 2' or 'URIA Fund xxx' must be added accordingly for each URIA Fund available in the IFI.
- 4.3. The RIA Fund worksheet already represents the total amounts for all RIA funds. Therefore, additional worksheets are not required for each RIA Fund.

BNM/RH STD029- 4	Islamic Banking and Takaful Department	Investment Account – Reporting Manual Part B (Liquidity)	Page 5/6
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### URIA Fund 1

- 4.4. This worksheet reports the 'Net Liquidity Requirement Surplus/(Shortfall)' of URIA Fund 1. The calculation requirements and methods for calculation, such as breakdown by behavioural maturity profile, eligible liquefiable assets and yield slippage, shall follow the requirements as per the Liquidity Framework unless specifically described otherwise.
- 4.5. IFIs are required to provide information on the following:
  - i. Breakdown by Behavioural Maturity Profile;
  - ii. Discounted value of dedicated liquefiable securities;
- 4.6. Minimum liquidity requirement as agreed with BNM.
- 4.7. IFIs shall also provide information on Sell and Buy Back Arrangement (SBBA) or Reverse SBBA, if any if there is transfer of liquidity between funds using this method, as mentioned in paragraph 22.5 in the IA Framework.
- 4.8. The information required is specific to the URIA Fund 1 only. The amounts already reported for URIA Fund 1 shall not be included in the computation at any other URIA/RIA Funds or at IFI's Own Funds level.
- 4.9. Any net liquidity requirement surplus or shortfall of URIA Fund 1 shall be reported accordingly under the "Total Surplus or Shortfall" worksheet.

### RIA Fund

- 4.10. Unlike the URIA Funds, reporting on 'per fund basis' for RIA is not required. Hence, this worksheet requires reporting of the **total** "Available Cumulative Mismatch to Accommodate Liquidity Shocks" of **all** RIA Funds.
- 4.11. There is no liquidity buffer requirement and hence no minimum liquidity requirement imposed on RIA as described in paragraph 30.6 of the IA Framework. Reporting for RIA shall be submitted to the Bank for monitoring purposes only.
- 4.12. The calculation requirements and methods for calculation, such as breakdown by behavioural maturity profile, eligible liquefiable assets and yield slippage, shall follow the requirements as per the Liquidity Framework unless specifically described otherwise.

BNM/RH STD029- 4	Islamic Banking and Takaful Department	Investment Account – Reporting Manual Part B (Liquidity)	Page 6/6
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- 4.13. IFIs are required to provide information as per items in paragraphs 17 and 184 for total RIA funds.
- 4.14. The information required is specific to total RIA Funds. The amounts already reported for RIA Funds shall not be included in the computation at any other URIA Funds or at IFI's Own Funds level.

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<sup>4</sup> Transfer of RIA funds to other funds is only possible if the specific mandate provided by the IAH allows such practice.