



INTERNATIONAL MONETARY FUND

Middle East Regional Technical Assistance Center

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Virtual Regional Workshop on Reserve Requirements

June 21-22, 2022

The Middle East Technical Assistance Center (METAC) organized a virtual regional workshop on Reserve Requirements (RR) on June 21-22, 2022, as part of its new Central Bank Operations Technical Assistance workstream.

The RR are a monetary policy operation (MPO) used to influence the demand for reserves of the central bank. The virtual regional workshop examined how this MPO helps central banks to meet their mandate of price and financial stability, and how its effectiveness depends on the alignment of its design and calibration with the purpose for which it is targeted. For example, If the RR are used for monetary policy implementation (the most common objective), central banks should allow commercial banks to average the RR over a sufficiently long maintenance period to help stabilize short-term interest rates. As different objectives may conflict, central banks should seek alternative instruments to delimit the purposes of the RR and improve their efficiency.

The virtual regional workshop primarily targeted senior officials with responsibility for RR and other central bank liquidity management and operations tasks. 11 senior officials from 6 METAC countries attended the event.