

**On the procedure for conducting deposit operations
of the Central Bank of the Republic of Uzbekistan
with commercial banks**

Chapter 1. General rules

1. The following basic concepts are used in this Provision:

Deposit operations of the Central Bank with commercial banks (hereinafter referred to as deposit operations) - operations of the Central Bank to attract funds of commercial banks to deposits;

Currency exchange - a legal entity that organizes exchange trades on foreign currency, government securities, instruments of derivatives and other related exchange transactions, as well as the interbank money market and credit and deposit auctions of the Central Bank with commercial banks person;

General agreement - an interaction between the Central Bank and commercial banks, which determines the general conditions and procedure for deposit operations;

Electronic trading platform - an automated system of currency exchange, which allows to conduct exchange trades in electronic form in the interbank money market and to register received orders, conclude exchange transactions, display current data in the workplaces of traders, describe the trading process and form final exchange documents;

deposit auction - an auction conducted by the Central Bank between commercial banks to attract funds of commercial banks;

competitive application - an application for participation in a deposit auction submitted by commercial banks with an interest rate;

non-competitive application - an application for participation in a deposit auction submitted by commercial banks without specifying the interest rate;

fixed interest rate - the rate set by the Credit Committee of the Central Bank on attracting deposits of commercial banks based on the objectives of monetary policy;

discount interest rate - the maximum rate offered on the competitive applications of commercial banks, which are satisfied based on the results of the deposit auction.

2. Deposit operations are carried out in the national currency of the Republic of Uzbekistan.

3. Deposit operations shall be carried out in accordance with the General Agreement on Participation in Deposit Operations of the Central Bank concluded between the Central Bank and commercial banks.

4. Interest rates on deposits are set by the Credit Committee of the Central Bank based on their maturity.

5. When carrying out deposit operations, commercial banks must meet the following requirements:

Timely and complete fulfillment of the reserve requirements of the Central Bank;

Absence of overdue debt obligations to the Central Bank, including indebtedness of the Central Bank on loans and their interest.

6. The Central Bank may set limits on the amount of deposits placed by commercial banks on deposit operations and the number of applications received from each commercial bank for a deposit auction.

7. Submission of applications for deposit operations is carried out through the electronic trading platform of the currency exchange, as well as in other ways specified in the General Agreement.

8. The following is not allowed when making deposit operations:
transfer of the right to claim the deposited funds to a third party;
extension of the term of placed deposits.

Chapter 2. Types of deposit operations, transfer and calculation of interest on deposits

9. The Central Bank carries out the following types of deposit operations:
deposit auction (interest and quantity);
deposit operations at a fixed interest rate.

10. Information on the deposit auction is published on the official website of the Central Bank at least one business day before the auction. This information includes:

date of deposit auction;
type of deposit auction (percentage or quantity);
term of deposit;

auction method ("American" or "Dutch");

date of deposit;

the date of repayment and payment of interest on the deposit;

maximum share of non-competitive applications (when conducting a deposit auction);

deposit auction interest rate (interest deposit may not be set when the auction is held);

the maximum amount of funds to be attracted to the deposit auction (if established);

the minimum and maximum amount offered for each application (if established);

the number of applications for a deposit auction from a single commercial bank (if established);

time of receipt of applications for the deposit auction;

the time of publication of information on the results of the deposit auction or the cancellation of the transfer.

11. Information on the deposit auction is delivered to commercial banks through the electronic trading platform of the currency exchange on the day of publication on the official website of the Central Bank.

12. On the day of deposit operations, applications for participation in deposit operations by commercial banks are formed in electronic form on the electronic trading platform.

13. Applications submitted by commercial banks for participation in deposit operations must contain the following information:

application serial number and date and place;

the name of the commercial bank;

type of deposit operation (deposit auction or deposit operation at a fixed interest rate);

date of participation in the deposit operation;

term of deposit (on standard terms);

deposit amount;

the amount of interest offered;

date of deposit placement and return.

14. The interest deposit auction is based on the interest rates offered in the applications of commercial banks, the quantitative deposit auction is based on the amount of deposits offered in the applications of commercial banks.

15. The deposit auction is carried out in case of submission of applications by two or more commercial banks.

16. The deposit auction is held on the basis of the following standard conditions:

"1 week" - a deposit operation with a term of seven calendar days;

"2 weeks" - a deposit operation with a term of fourteen calendar days;

"1 month" - a deposit operation with a term of one month;

"3 months" - a deposit operation with a term of three months;

on other terms - the term of the deposit is specified in the information of the Central Bank on the conduct of the deposit auction.

17. Interest-bearing deposit auctions are carried out by the Central Bank with the maximum amount of funds to be attracted at the deposit auction. At the same time, the maximum interest rate on deposits can also be set.

18. Commercial banks may submit competitive and non-competitive applications for participation in interest-bearing deposit auctions.

19. If the proposed interest rates on competitive applications of commercial banks are higher than the maximum interest rate set by the Central Bank, these applications will not be accepted for the interest deposit auction.

20. Non-competitive bids are satisfied at the weighted average interest rate determined by the results of the interest deposit auction.

21. If the total amount of deposits offered on non-competitive applications of commercial banks is equal to or exceeds the maximum amount of funds to be attracted to the deposit auction set by the Central Bank, this percentage deposit auction is canceled.

22. The weighted average interest rate is determined based on the interest rate and the amount of attracted bids of competitive bids, which are fully or partially satisfied at the end of the deposit auction.

23. The Central Bank forms a list of competitive and non-competitive applications submitted by commercial banks to participate in the interest deposit auction and classifies competitive applications in ascending order according to the interest rates offered in them. Based on these classified applications, the Central Bank sets the deductible interest rate.

24. The discount rate on the results of the interest deposit auction may not be equal to the maximum interest rate on the interest deposit auction by the Central Bank (if established).

25. According to the results of the interest deposit auction, the Central Bank will first satisfy the non-competitive applications of commercial banks in full, as well as competitive applications in which the proposed interest rate is not higher than the discount rate. Competitive applications will be accepted in the order from the proposed minimum interest rates to the deductible interest rate.

26. Interest deposit auctions can be conducted in two ways:

"American" method - competitive applications of commercial banks at the interest rates offered by them;

"Dutch" method - competitive applications of commercial banks are satisfied at a discount rate.

27. In case the total number of applications to be satisfied as a result of the interest deposit auction exceeds the maximum amount set by the Central Bank, competitive applications with the proposed interest rate deduction rate will be partially satisfied in proportion to the volumes specified in them. At the same time, the number of applications from commercial banks is rounded up to UZS.

28. Quantitative deposit auctions are carried out by setting the interest rate on deposits set by the Central Bank. In this case, the maximum amount of funds to be attracted can also be set.

29. Commercial banks submit applications for participation in the quantitative deposit auction at the interest rate set by the Central Bank.

30. The e-commerce platform forms a list of applications submitted by commercial banks to participate in the quantitative deposit auction in descending order by the volumes offered in it, and their total volume is determined.

31. The Central Bank, analyzing the list, determines the amount of funds to be attracted at the end of the quantitative deposit auction. The amount of these borrowings may not be equal to the maximum amount (if any) set by the Central Bank.

32. In case the total amount of applications to be satisfied as a result of the quantitative deposit auction exceeds the amount of funds raised at the end of the deposit auction, the applications are partially satisfied in proportion to the share of volumes specified in them. At the same time, the number of applications from commercial banks is rounded up to UZS.

33. According to the results of the quantitative deposit auction, applications of commercial banks are satisfied at the interest rate set by the Central Bank.

34. Deposit auctions may be canceled in case of insufficient applications from commercial banks for deposit auctions or by the decision of the Credit Committee of the Central Bank.

35. Information on the results of the auction or the cancellation of the deposit is published on the official websites of the Central Bank and the currency exchange.

36. Deposit operations at a fixed interest rate by the Central Bank are carried out on the basis of the following standard conditions:

"Overnight" - a deposit operation with a term of one calendar day (in this case, in the case where the period between the days of attraction and return of overnight deposits is more than one day, interest payments are calculated on a calendar day);

"1 week" - a deposit operation with a term of seven calendar days;

"2 weeks" - a deposit operation with a term of fourteen calendar days;

"1 month" - a deposit operation with a term of one month;

"3 months" - a deposit operation with a term of three months.

37. The Central Bank announces on its official website the terms of deposit operations at fixed interest rates.

38. Interest on deposits attracted by the Central Bank is calculated from the date of receipt of funds by the Central Bank until the date of return of the deposit (excluding the date of return of the deposit), based on the following formula: 365 calendar days per year:

$$I = D * R * (T / 365),$$

where: I - the amount of accrued interest on the deposit; D - deposit amount; R - interest rate on the deposit; T is the number of days the deposit is attracted.

Chapter 3. Execution of settlements on deposit operations

39. Obligations of commercial banks on deposit operations are timely and complete transfer of the amount specified in the application from the relevant deposit accounts to the deposit account of the Central Bank.

40. Fulfillment of obligations of commercial banks on deposit operations is confirmed by statements from the relevant deposit account with the Central Bank.

41. The obligation of the Central Bank to carry out deposit operations is carried out with the timely and full transfer of deposit funds and interest accrued on the attracted deposits to the appropriate accounts specified in the applications of commercial banks.

42. Fulfillment of the Central Bank's obligations to carry out deposit operations is confirmed by statements from the relevant accounts on the transfer of deposits and interest accrued to commercial banks.

43. If more than the amount specified in the application is transferred to the deposit account of the Central Bank by commercial banks, the Central Bank shall return the excess amount to the deposit account of the bank no later than the next business day and no interest shall be charged.

44. If less than the amount specified in the application is transferred to the deposit account of the Central Bank by commercial banks on the date of placement of the deposit, the Central Bank within one business day notifies the commercial bank electronically (by telephone or lotus notes).

In this case, no interest is charged on incompletely placed deposits.

This deposit operation shall be terminated if the amount specified in the application is not fully transferred to the deposit account of the Central Bank on the day of receipt of the notice by the commercial bank.

45. In case the day of return of deposits and payment of interest accrued on them falls on a weekend or holiday, payments are made on the next business day.

46. Accounting of deposit operations is carried out in accordance with the legislation.

Chapter 4. Early repayment of deposits placed with the Central Bank

47. Commercial banks may apply to the Central Bank for early repayment of deposits placed in the deposit account. This application will be considered and approved by the Central Bank within one business day.

48. Deposits placed by commercial banks:

return on the day of placement;

partial refunds are not allowed.

49. In case of early repayment of funds on deposit operations, no interest payments are made on them.

Chapter 5. The final rule

50. Persons guilty of violating the requirements of this Regulation shall be prosecuted in the manner prescribed by law.