Letter

Title	Unwind of temporary leverage ratio exclusions, effective April 2023
Date	September 13, 2022
Sector	Banks Foreign Bank Branches Trust and Loan Companies

To: Deposit Taking Institutions (DTIs)

On April 9, 2020, OSFI announced that on a temporary basis, DTIs could exclude central bank reserves and sovereign-issued securities that qualify as High Quality Liquid Assets (HQLA) under the Liquidity Adequacy Requirements Guideline from their leverage ratio exposure measures.

On August 12, 2021, OSFI announced that, starting January 1, 2022, DTIs would be required to include sovereign-issued securities qualifying as HQLA in their leverage ratio exposure measures, but should continue to exclude central bank reserves from their leverage ratio exposure measures until otherwise notified.

Through its ongoing monitoring efforts, OSFI has determined that the leverage ratio exclusion of central bank reserves is no longer necessary or fit-for-purpose. This means that, starting April 1, 2023, DTIs will be required to include central bank reserves in their leverage ratio exposure measures.

OSFI remains prepared to adjust its guidance and measures if necessary.