

# Guidance Note

## AGN 210.3 - Minimum Liquidity Holdings

1. In assessing whether a particular asset is acceptable for the purpose of the minimum liquidity holdings requirement, APRA will have regard to the marketability and credit quality of the asset. This includes whether there is an established secondary market in which that particular asset can be readily sold, as well as the size of the ADI's holding of that asset relative to the ADI's liquid holding portfolio and to the total volume of the asset on issue. As a minimum, the asset must be free from encumbrances and be readily convertible into cash (Australian dollars if the asset is denominated in foreign currency) within two business days.
2. In relation to paragraph 14 of [APS 210](#), an ADI should set a trigger ratio above the minimum requirement to warn management of potential breaches.

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