

Central Bank Operations Framework in Latin America and the Caribbean

Compendium of Practices

Central Bank Operations Framework in Latin America and the Caribbean

Compendium of Practices, 2017 (by country)

The central bank monetary policy is subject to a series of aspects, both internal and external, development of financial markets, exchange rate policies, financial crises, international trends on the final or intermediate objectives, to name a few. For a couple of decades, Latin America and the Caribbean have experienced fundamental changes in the way monetary policy is conducted. This compendium addresses the operational dimension of the monetary policy of the Latin America and the Caribbean central banks, making a characterization of the operations frameworks, identifying the different elements that make up its structure, its legal basis, its instruments, tools and procedures.

The Compendium of Practices is presented in two versions to facilitate its consultation, a compilation grouped by country and another regionally disaggregated. The document information on a) relevant institutional aspects of the central bank's operations framework, such as objectives, monetary regime and the decision-making process for monetary policy implementation; b) general aspects of the implementation of monetary policy operations framework, including instruments, tools and their main features, such as relevant aspects of the collateral management framework; c) key information on liquidity management and its relationship with the implementation of monetary operations in the financial system; and d) conditions and barriers for the implementation of the monetary policy operations framework in the region.

The Division of Financial Markets and Infrastructures at CEMLA deems that sharing this Compendium with the community of central banks, markets participants and the public will enhance a better understanding of central bank actions. The information will be regularly updated.

The descriptions of monetary policy operations framework presented in the Compendium have been submitted by the respective central banks to CEMLA and is published with their consent. Note that the original central bank publications remain the ultimate references.

Introduction

The central bank operations frameworks are defined as the financial instruments, the rules and the implementation practices to carry out the monetary policy decisions. According to their design, these can be more or less effective, transparent or efficient (Bindseil, 2016). The bibliographic review on monetary policy indicates that the monetary policy framework has key elements for its execution, among which is considered: a) orientation of the policy and the determination of the operational objective level; b) establish the instruments and how they are handled; c) effective liquidity management; and d) communication standards of the monetary policy and commitment to comply with the objective levels. (Disyatat, 2008, Maehle, 2014, Bindseil, 2014).

Similarly, there are indirect aspects that might interfere with the effectiveness of a central bank's monetary policy framework, such as the institutional configuration and governance of the central bank, the development of financial markets, macroeconomic and financial stability and the analytical capacity of the monetary authority to identify the transmission channels and project the liquidity needs of its financial system.

For the region, in the last decade of the 20th century and the beginning of the 21st, the monetary policy conduct in different central banks was reoriented. The changes were preceded by the rethinking of the same policy by the advanced economies (approximately a decade earlier). In general, the changes consisted of: a) the adoption of inflation targets as the monetary policy objective, b) preference for indirect implementation, that is, by instruments that focused on central banking operations with financial markets and, finally, c) a communication transparency strategy by the central banks on their monetary policy position and the elements to implement it.

On the other hand, in the last decade, with the global financial crisis, several central banks faced the need to redesign their monetary policy frameworks with the objective of providing liquidity to different institutions and financial markets; in some cases, it resulted in the implementation of policies considered unconventional. Faced with this latest wave of transformation of operations frameworks, it is currently unclear to what extent the region was influenced to modify its frameworks. There is no precision on which is the dominant approach in the region.

Based on the above, the objective of this compendium of practices is to characterize the operational part of the regional monetary policy, based on the mandate of the central institutes and their legal basis, to later describe the operations and instrumentation of the central banks in Latin America and the Caribbean. The different elements that make up its structure, its legal basis, its instruments, tools and procedures are identified. The motivation of the document is based on the absence of a compendium of practices on the implementation of monetary policy at the regional level.

Argentina

Monetary policy framework

Section A

Main characteristics of the monetary policy framework

a1	Central bank mandate	Price stability
a2	Monetary regime	Inflation targeting
a3	Intermediate target	--
a4	Operational target	Short term interest rates
a5	Monetary policy instruments	Open Market Operations and Standing Facilities

Governance of the monetary policy framework

a6	Degree of autonomy of monetary policy	Independence of objectives and instruments of monetary policy
Committee responsible of monetary policy decisions		
a7	Committee name	Consejo de Política Monetaria
a8	Organization	The committee responsible of monetary policy decisions and its functions are formally established
a9	Appointment of members	Appointed by Board of the central bank
a10	Committee composition	6 to 8 members
a11	Frequency of meetings	The committee meets twice a month
a12	Decision-making	Consensus
Committee/area responsible of the implementation of the monetary policy decisions		
a13	Committee/area name	General Operations Sub-Ditectorate
a14	Time frame between the decisions are taken and effectively implemented	Immediately

Communication and transparency strategy of the monetary policy framework

a15	Monetary policy objective	Releases
a16	Implementation of the monetary policy strategy	Releases ^{1/}
a17	Monetary framework	Releases ^{1/}
a18	Monetary policy instruments design	Releases ^{2/}
a19	Operations expected/observed effects	Releases ^{3/}
a20	Economic outlook	Releases ^{1/}
a21	Future potential monetary policy actions	--
a22	Monetary policy committee meeting minutes	--
a23	Monetary policy committee voting results	--
a24	Liquidity forecast	--
a25	Calendar of monetary policy meetings	Releases ^{4/}
a26	Calendar of open market operations	Auction schedules ^{4/}
a27	Other	--

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Monetary policy instruments

Section B

Instruments of the central bank operations framework

b1	Open market operations	BCRA securities issuance; Purchase/Sale (secondary market) of BCRA or National Government securities with monetary policy purposes; Purchase/Sale of securities (LEBACs o Public securities) (repo market) ^{5/}
b2	Standing facilities	Deposits facilities; Credit facilities. BCRA uses repos -central bank assets- and reverse repos -central bank liabilities- with collateral as if they were permanent facilities.
b3	Reserve requirements	Legal reserves
Open market operations		
b1.1	BCRA securities issuance	
	Functions	Liquidity management; Contribute to the achievement of monetary policy objectives; Signaling
	Initiation mode	Multilateral or bidding
	Bidding mode	Auction by interest rate
	Term or maturity of the operation	NA
	Collateral requirement	No
	Clearing and settlement	t+1
	Authorized institutions	Banks, financial entities, insurance companies, mutual funds, legal persons (companies), labor risk insurance companies, pensions funds. ^{6/}
b1.2	Purchase/Sale (secondary market) of BCRA or National Government securities with monetary policy purposes	
	Functions	Liquidity management; Contribute to the achievement of monetary policy objectives; Signaling
	Initiation mode	Bilateral or window
	Bidding mode	NA
	Term or maturity of the operation	NA
	Collateral requirement	No
	Clearing and settlement	t; t+1
	Authorized institutions	Banks (banks, financial entities)
b1.3	Purchase/Sale of securities (LEBACs o Public securities) (repo market)	
	Functions	Interest rate buffer; Liquidity management; Contribute to the achievement of monetary policy objectives; Signaling
	Initiation mode	Bilateral or window
	Bidding mode	NA
	Term or maturity of the operation	1 and 7 days
	Collateral requirement	Yes
	Clearing and settlement	t
	Authorized institutions	Banks (banks, financial entities)

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Other nontraditional instruments

b4	Controls over credit and interest rates	Yes, rules on "Credit line for production and financial inclusion" establish a cap on the assistance interest rates that financial entities must grant mainly to small and medium-sized companies for the financing of investment projects. On the other hand, the rules on "Credit Policy" establish the destinations to which financial institutions must apply the loan capacity of their deposits in foreign currency and other resources in foreign currency obtained from their financial intermediation liabilities (excluding deposits, some interfinancial loans and commercial abroad credit lines).
b5	Restrictions	Yes, financial institutions must have a minimum regulatory capital based on the risks they assume, in accordance with provisions of the "Minimum Capital of Financial Institutions" rules. Likewise, they must seguir the rules on "credit risk break down" that establish limits to the concentration of products (Centralization products limits) and to the concentration of counterparts (Counterparties centralization limits).
b6	Liquidity prudential measures	Yes, rules on "Liquidity coverage ratio" establish that financial entities must have adequate funds of high quality liquid assets (HQLA) and have a liquidity coverage ratio (LCR). Likewise, financial entities must maintain, with effect from 1.1.18, a stable funding profile in relation to the composition of their assets and off-balance-sheet operations (stable net funding ratio -NSFR-) in accordance with the provisions of the rules on "Net stable funding ratio".

Features of the reserve requirements

National currency reserve requirements

b3.1.1	Current account deposits	
	Use for settlement	Yes
	Averaging period ^a	Variable. Monthly between March and November; Quarterly between December and February
	Carry over	Band
	Calculation type ^b	Simultaneous
	Calculation period ^c	Variable. Monthly between March and November; Quarterly between December and February
	Vault cash	No requirement for vault cash
	Ratio	18-20%
	Remuneration	NA
	Remuneration to excess reserves	No
	Penalties	Two times commercial banks BADLAR rate for national currency deposits, reported for the last business day of the period
	Settlement day	--
b3.1.2	Saving accounts	
	Use for settlement	No
	Averaging period ^a	Variable. Monthly between March and November; Quarterly between December and February
	Carry over	NA
	Calculation type ^b	Simultaneous
	Calculation period ^c	Variable. Monthly between March and November; Quarterly between December and February
	Vault cash	No requirement for vault cash
	Ratio	18-20%
	Remuneration	NA
	Remuneration to excess reserves	No
	Penalties	Two times commercial banks BADLAR rate for national currency deposits, reported for the last business day of the period
	Settlement day	--

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b3.1.3	Time deposits or deposits certificates	
	Use for settlement	No
	Averaging period ^a	Variable. Monthly between March and November; Quarterly between December and February
	Carry over	NA
	Calculation type ^b	Simultaneous
	Calculation period ^c	Variable. Monthly between March and November; Quarterly between December and February
	Vault cash	No requirement for vault cash
	Ratio	0-14%
	Remuneration	0%
	Remuneration to excess reserves	No
	Penalties	Two times commercial banks BADLAR rate for national currency deposits, reported for the last business day of the period
	Settlement day	--
Foreign currency reserve requirements		
b3.2.1	Current account deposits	
	Use for settlement	Yes
	Averaging period ^a	Monthly
	Carry over	Band
	Calculation type ^b	Simultaneous
	Calculation period ^c	Monthly
	Vault cash	No requirement for vault cash
	Ratio	25%
	Remuneration	NA
	Remuneration to excess reserves	No
	Penalties	Two times commercial banks USD BADLAR rate or two times the 30 days LIBOR rate for foreign currency transactions, reported for the last business day of the period or the last available, of both the greater one
	Settlement day	--
b3.2.2	Saving accounts	
	Use for settlement	No
	Averaging period ^a	Monthly
	Carry over	NA
	Calculation type ^b	Simultaneous
	Calculation period ^c	Monthly
	Vault cash	No requirement for vault cash
	Ratio	25%
	Remuneration	NA
	Remuneration to excess reserves	No
	Penalties	Two times commercial banks USD BADLAR rate or two times the 30 days LIBOR rate for foreign currency transactions, reported for the last business day of the period or the last available, of both the greater one
	Settlement day	--
b3.2.3	Time deposits or deposits certificates	
	Use for settlement	No
	Averaging period ^a	Monthly
	Carry over	NA
	Calculation type ^b	Simultaneous
	Calculation period ^c	Monthly
	Vault cash	No requirement for vault cash
	Ratio	0-23%
	Remuneration	NA
	Remuneration to excess reserves	No
	Penalties	Two times commercial banks USD BADLAR rate or two times the 30 days LIBOR rate for foreign currency transactions, reported for the last business day of the period or the last available, of both the greater one
	Settlement day	--

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Collateral management framework: operational aspects and key features

b7	Legal certainty	Yes
b8	Credit quality	Yes
b9	Market transparency and price availability	Yes
b10	Liquidity in the collateral market	Yes, applies only to BCRA bill, no for all the National Government securities
b11	Cost of handling and settlement	Yes, applies for the National Government USD securities and issued under New York law that can only be kept in custody in a Caja de Valores collective deposit in Cedel/Euroclear and not in the BCRA CRyL
b12	Eligible assets	Central or federal government debt and Central Bank issued securities
b13	Risk controls	Haircut; price and margin call
b14	Institutions that are eligible to collateralized credit facilities	Financial institutions
b15	Limits	NA

Liquidity management

Section C

Liquidity management and the central bank operations framework

c1	Liquidity injection/withdrawal	Two rates and one monthly auction ⁷¹
c2	Approach	Provision and withdrawal of liquidity from credit institutions by OMOs (forward view)
Liquidity forecasts framework (1)		
c3	Forecast horizon	From 1 to 3 months (quarterly legal reserves)
c4	Averaged period	From 1 to 3 months (quarterly legal reserves)
c5	Forecast range of time	1 day
c6	Forecast frequency	Weekly
c7	Revision	Daily
c8	Factor (autonomous or internal) with higher volatility	Progress of government operations
c9	Factor (autonomous and internal) with less data available	Progress of government operations
c10	Publication	No
c11	Target balance	No
c12	Factors considered by the central bank to forecast the financial system liquidity needs	Monetary circulation demand; Government transactions; Maturity of BCRA instruments; Reserves requirements in function of the deposits forecast (simultaneous legal reserves)
c13	Liquidity forecast and the central bank's balance sheet	Usually coincide (especially on the most significant movement days)
c14	Most frequent position of the central bank's balance sheet	Debtor
Liquidity forecasts framework (2)		
c15	Autoregressive models' method	Yes
c16	Time series based systematic modeling approach	Yes
c17	Reference periods (historical): behavior in the previous year	Yes
c18	Reference periods (historical): behavior of the same day/same date of the previous year	Yes
c19	Behavior in recent weeks	Yes
c20	Errores de pronóstico-autocorrelación de errores	Yes
c21	Other	--

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Market characteristics and central banking operations implementation

Section D

Desirable market conditions for the implementation of central banking operations

d1	Inflation targeting is high priority above other objectives	--
d2	Absence of fiscal dominance	--
d3	Central bank independence	--
d4	Significant control of the monetary policy instruments	--
d5	Adequate methodology for liquidity forecasts	--
d6	Well-developed government securities market	--
d7	Deep interbank market	--
d8	Institutions and financial markets that are resilient to fluctuations of the exchange rate and interest rate	--
d9	Other	--

Barriers for the implementation of monetary policy framework

d10	Partial or total dollarization	--
d11	Limited capacity to diversify or deepen financial markets due to low demand for financial services	--
d12	The central bank must provide the government with liquidity whenever the government requires	--
d13	Excess structural liquidity	--
d14	Deficient monetary policy implementation	--
d15	Undeveloped financial system	--
d16	Other	--

Notes

- 1/ Quarterly.
- 2/ In case of change
- 3/ Banco Central de la República Argentina (BCRA) securities auctions (monthly).
- 4/ Annually
- 5/ Repos are permanently available as if they were deposit and credit facilities.
- 6/ Auctions. However, the offers must be presented through MAE* agents (banks and stock markets). *MAE (Electronic Open Market).
- 7/ The Central Bank lends in a daily basis and unlimitedly at a one rate and receives any amount of funds at a lower rate, so the interbank market short-term rates remain within the rate corridor whose center is the policy rate. Likewise, a monthly contractionary auction is carried out offering BC bills.
 - a. Averaging period is the span of time for reserves be maintained.
 - b. Delayed: the calculation period precedes the maintenance period $t_{2^c} < t_{1^p}$. Semi-delayed: the calculation period partially overlaps with the maintenance period $t_{2^c} > t_{1^p}$. Simultaneous: the end of the calculation and maintenance periods coincide $t_{2^c} = t_{1^p}$.
 - c. The calculation period refers to the period (days) considered for the calculation of the base to which the mandatory ratio applies

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Monetary policy framework

Section A

Main characteristics of the monetary policy framework

a1	Central bank mandate	Price stability
a2	Monetary regime	Inflation targeting ^{1/}
a3	Intermediate target	^{2/}
a4	Operational target	Bank reserves ^{3/}
a5	Monetary policy instruments	Open Market Operations; Standing facilities; Reserves requirement ^{4/}

Governance of the monetary policy framework

a6	Degree of autonomy of monetary policy	Independence of instruments, but not of monetary policy objectives
Committee responsible of monetary policy decisions		
a7	Committee name	Comité de Política Monetaria y Cambiaria
a8	Organization	The committee responsible of monetary policy decisions and its functions are formally established
a9	Appointment of members	The members who participate in these meetings are established according to internal rules
a10	Committee composition	6 to 8 members
a11	Frequency of meetings	The Open Market Operations Committee meets biweekly
a12	Decision-making	Members majority vote
Committee/area responsible of the implementation of the monetary policy decisions		
a13	Committee/area name	Open Market Operations Committee
a14	Time frame between the decisions are taken and effectively implemented	Immediately ^{5/}

Communication and transparency strategy of the monetary policy framework

a15	Monetary policy objective	Monetary Policy Report; Fiscal-Financial Program Decision Agreement, BCB Institutional Memory; Institutional conferences; Press Releases ^{6/}
a16	Implementation of the monetary policy strategy	Monetary Policy Report; BCB Institutional Memory; Institutional conferences, press releases, Board resolutions ^{7/}
a17	Monetary framework	Monetary Policy Report; BCB Institutional Memory; Conferences ^{8/}
a18	Monetary policy instruments design	Monetary Policy Report; BCB Institutional Memory; Institutional conferences, press releases, Board resolutions ^{7/}
a19	Operations expected/observed effects	Monetary Policy Report; OMOs and Monetary Reports; BCB Institutional Memory; Institutional Conferences, press releases ^{9/}
a20	Economic outlook	Monetary Policy Report; BCB Institutional Memory; Institutional Conferences, press releases ^{10/}
a21	Future potential monetary policy actions	Monetary Policy Report; Institutional Conferences, press releases ^{11/}
a22	Monetary policy committee meeting minutes	--
a23	Monetary policy committee voting results	--
a24	Liquidity forecast	--
a25	Calendar of monetary policy meetings	--
a26	Calendar of open market operations	OMOs Report ^{12/}
a27	Other	Specific aspects are also reported in periodic reprints in the press ^{13/}

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Monetary policy instruments

Section B

Instruments of the central bank operations framework

b1	Open market operations	BCB securities, BCB bonds for natural persons, Deposit certificates
b2	Standing facilities	Special deposits for monetary regulation, Complementary Reserves, Repo operations, Liquid Asset Requirement Fund (RAL) collateral loans
b3	Reserve requirements	Legal reserves - cash, Legal reserves - securities

Open market operations

b1.1	BCB securities	
	Functions	Interest rate buffer; Liquidity management; Monetary control; Signaling
	Initiation mode	Multilateral or bidding
	Bidding mode	Auction by volume; Auction by interest rate; Money Desk
	Term or maturity of the operation	91, 180, 273, 364 and 728 days
	Collateral requirement	No
	Clearing and settlement	--
	Authorized institutions	Financial institutions (banks); Stock markets; Investment companies specialized in pensions funds; Mutuals
b1.2	BCB bonds for natural persons	
	Functions	Liquidity management, Monetary control
	Initiation mode	Multilateral or bidding
	Bidding mode	Money Desk
	Term or maturity of the operation	63, 91, 273 and 364 days
	Collateral requirement	No
	Clearing and settlement	--
	Authorized institutions	Natural or legal persons
b1.3	Deposit certificates	
	Functions	Liquidity management, Monetary control
	Initiation mode	Multilateral or bidding
	Bidding mode	Money Desk
	Term or maturity of the operation	182 and 364 days
	Collateral requirement	No
	Clearing and settlement	--
	Authorized institutions	Investment companies specialized in pensions funds; Insurance companies

Standing facilities

b2.1	Special deposits for monetary regulation	
	Functions	--
	Initiation mode	Multilateral or bidding
	Bidding mode	Voluntary deposits with registration
	Term or maturity of the operation	91 days
	Collateral requirement	No
	Clearing and settlement	--
	Authorized institutions	Financial institutions (banks, housing finance), cooperatives and SME banks
b2.2	Complementary Reserves	
	Functions	--
	Initiation mode	Multilateral or bidding
	Bidding mode	Deposits with excesses reserve
	Term or maturity of the operation	224 days
	Collateral requirement	No
	Clearing and settlement	--
	Authorized institutions	Investment companies specialized in pensions funds; Insurance companies

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b2.3	Repo operations	
	Functions	Liquidity management; Monetary control
	Initiation mode	Multilateral or bidding
	Bidding mode	Money Desk
	Term or maturity of the operation	15 days max
	Collateral requirement	Yes
	Clearing and settlement	--
	Authorized institutions	Financial institutions (banks, housing finance), cooperatives and SME banks
b2.4	Liquid Asset Requirement Fund (RAL) collateral loans	
	Functions	Liquidity management; Monetary control
	Initiation mode	Multilateral or bidding
	Bidding mode	Money Desk
	Term or maturity of the operation	7 days
	Collateral requirement	Yes
	Clearing and settlement	--
	Authorized institutions	Financial institutions (banks, housing finance), cooperatives and SME banks
Other nontraditional instruments		
b4	Controls over credit and interest rates	Yes, there are limits to the interest rates for credit and deposits, also allocation priority for the productive sector and social housing
b5	Restrictions	Yes, coefficient of financial adequacy of at least 10% of the primary capital of a financial intermediation entity, at no time should be less than 7% of the borrowing limit assets
b6	Liquidity prudential measures	No
Features of the reserve requirements		
National currency reserve requirements		
b3.1.1	Current account deposits	
	Use for settlement	Yes
	Averaging period ^a	Between 8 to 15 days
	Carry over	Target range
	Calculation type ^b	Semi delayed
	Calculation period ^c	Between 8 to 15 days
	Vault cash	Another instrument (not indicated)
	Ratio	6% cash reserves 5% securities reserves
	Remuneration	Only securities reserves, according to the market rates
	Remuneration to excess reserves	No
	Penalties	2% of the average shortfall incurred in the two-week period. And double for each successive period of two weeks if the shortfall has not been covered
	Time deposits or deposits certificates	Tuesday
b3.1.2	Saving accounts	
	Use for settlement	Yes
	Averaging period ^a	Between 8 to 15 days
	Carry over	Target range
	Calculation type ^b	Semi delayed
	Calculation period ^c	Between 8 to 15 days
	Vault cash	Another instrument (not indicated)
	Ratio	6% cash reserves 5% securities reserves
	Remuneration	Only securities reserves, according to the market rates
	Remuneration to excess reserves	No
	Penalties	2% of the average shortfall incurred in the two-week period. And double for each successive period of two weeks if the shortfall has not been covered
	Settlement day	Tuesday

Bolivia		
b3.1.3	Time deposits or deposits certificates	
	Use for settlement	Yes
	Averaging period ^a	Between 8 to 15 days
	Carry over	Target range
	Calculation type ^b	Semi delayed
	Calculation period ^c	Between 8 to 15 days
	Vault cash	Another instrument (not indicated)
	Ratio	6% for vault cash reserves, 5% for DPF securities reserves up to 360 days
	Remuneration	Only securities reserves, according to the market rates
	Remuneration to excess reserves	No
	Penalties	2% of the average shortfall incurred in the two-week period. And double for each successive period of two weeks if the shortfall has not been covered
	Settlement day	Tuesday
Foreign currency reserve requirements		
b3.2.1	Current account deposits	
	Use for settlement	Yes
	Averaging period ^a	Between 8 to 15 days
	Carry over	Target range
	Calculation type ^b	Semi delayed
	Calculation period ^c	Between 8 to 15 days
	Vault cash	Another instrument (not indicated)
	Ratio	13.5% cash reserves and 43% securities reserves
	Remuneration	Only securities reserves, according to the market rates
	Remuneration to excess reserves	No
	Penalties	2% of the average shortfall incurred in the two-week period. And double for each successive period of two weeks if the shortfall has not been covered
	Settlement day	Tuesday
b3.2.2	Saving accounts	
	Use for settlement	Yes
	Averaging period ^a	Between 8 to 15 days
	Carry over	Target range
	Calculation type ^b	Semi delayed
	Calculation period ^c	Between 8 to 15 days
	Vault cash	Another instrument (not indicated)
	Ratio	13.5% cash reserves and 43% securities reserves
	Remuneration	Only securities reserves, according to the market rates
	Remuneration to excess reserves	No
	Penalties	2% of the average shortfall incurred in the two-week period. And double for each successive period of two weeks if the shortfall has not been covered
	Settlement day	Tuesday
b3.2.3	Time deposits or deposits certificates	
	Use for settlement	Yes
	Averaging period ^a	Between 8 to 15 days
	Carry over	Target range
	Calculation type ^b	Semi delayed
	Calculation period ^c	Between 8 to 15 days
	Vault cash	Another instrument (not indicated)
	Ratio	43% for securities reserves and 13.5% for vault cash reserves. For DPF up to 365 days. For DPF > 360 days up to 720 days only 43% of securities reserves. For > 720 days only 35% of securities reserves
	Remuneration	Only securities reserves, according to the market rates
	Remuneration to excess reserves	No
	Penalties	2% of the average shortfall incurred in the two-week period. And double for each successive period of two weeks if the shortfall has not been covered
	Settlement day	Tuesday

Bolivia		
Collateral management framework: operational aspects and key features		
b7	Legal certainty	Yes
b8	Credit quality	Yes
b9	Market transparency and price availability	Yes
b10	Liquidity in the collateral market	Yes
b11	Cost of handling and settlement	Yes
b12	Eligible assets	Asset backed securities (ABS)
b13	Risk controls	Limits to credit for each institution; Limits to the use of specific collateral for each institution
b14	Institutions that are eligible to collateralized credit facilities	Government and Financial institutions
b15	Limits	Individual counterparties limits on the use of specific collaterals

Liquidity management

Section C

Liquidity management and the central bank operations framework		
c1	Liquidity injection/withdrawal	Auction with a weekly frequency. The Central Bank makes weekly liquidity projections and offers certain amount established by the Open Market Committee through a weekly auction
c2	Approach	Provision and withdrawal of liquidity from credit institutions by OMOs (forward view)
Liquidity forecasts framework (1)		
c3	Forecast horizon	Other
c4	Averaged period	NA
c5	Forecast range of time	1 day
c6	Forecast frequency	Weekly
c7	Revision	Daily
c8	Factor (autonomous or internal) with higher volatility	Public sector
c9	Factor (autonomous and internal) with less data available	Public sector
c10	Publication	No
c11	Target balance	Yes
c12	Factors considered by the central bank to forecast the financial system liquidity needs	Expansion: Financial sector credit, Public sector credit, Net international reserves. Contraction: Monetary issuance, Financial sector deposits, Public sector deposits. Finally, monetary regulation is considered ^{14/}
c13	Liquidity forecast and the central bank's balance sheet	Almost always matches ^{15/}
c14	Most frequent position of the central bank's balance sheet	Currently this calculation is not carried out
Liquidity forecasts framework (2)		
c15	Autoregressive models' method	Yes
c16	Time series based systematic modeling approach	Yes
c17	Reference periods (historical): behavior in the previous year	Yes
c18	Reference periods (historical): behavior of the same day/same date of the previous year	Yes
c19	Behavior in recent weeks	Yes
c20	Forecast errors-autocorrelation of errors	Yes
c21	Other	Forecast on variation at the CIN, issuance, RIN and monetary regulation

Bolivia

Market characteristics and central banking operations implementation

Section D

Desirable market conditions for the implementation of central banking operations		
d1	Inflation targeting is high priority above other objectives	No
d2	Absence of fiscal dominance	No
d3	Central bank independence	No
d4	Significant control of the monetary policy instruments	No
d5	Adequate methodology for liquidity forecasts	No
d6	Well-developed government securities market	No
d7	Deep interbank market	No
d8	Institutions and financial markets that are resilient to fluctuations of the exchange rate and interest rate	No
d9	Other	Coordination with the Executive
Barriers for the implementation of monetary policy framework		
d10	Partial or total dollarization	No
d11	Limited capacity to diversify or deepen financial markets due to low demand for financial services	Yes
d12	The central bank must provide the government with liquidity whenever the government requires	No
d13	Excess structural liquidity	No
d14	Deficient monetary policy implementation	No
d15	Undeveloped financial system	Yes
d16	Other	--

Notes

- 1/ Inflation and growth targets to manage, as well as monetary, fiscal and exchange rate policies objectives focus to foster the economic and social development preserving the macroeconomic stability.
- 2/ The monetary program sets maximum (minimum) expansive (contractive) quarterly intermediates quantities targets for the Net Domestic Credit and BCB Net Domestic Credit to Non-financial public sector in order to meet the inflation and growth objectives. Referentially, targets are also established for Net International Reserves.
- 3/ In addition to the intermediates targets, the monetary regime considers an operational target: excess reserves, of the financial intermediation entities, at the central bank.
- 4/ i) Open Market Operations; ii) legal reserves regimen, differentiated by currency; iii) deposit certificates addressed to the pension funds integral system; iv) Excess reserves; v) Monetary regulation special deposits; vi) Placement of securities to natural persons; vii) Liquidity credits with RAL fund collateral and Fondo para Crédito Productivo y Vivienda Social (Development and Housing Credit fund); and viii) Repo transactions.
- 5/ The COMA ordinaries meetings will be held at least one a week, on Wednesdays, securities auctions day. The President had the power to call extraordinary sessions when he considers it necessary. The Secretary drafts the session minutes, which will be approved at the next session. Prior to the bidding, at least one day in advance, general on Friday, the BCB send a press release and sends electronically to the financial agents the amounts, terms and currencies of the securities offered for the auction to be held on the Wednesday following the publication.
- 6/ Monetary Policy Report: Biannual; Fiscal-Financial Program Decision Agreement, BCB Institutional Memory: annual; Institutional conferences, press releases: as required.
- 7/ Monetary Policy Report: weekly; BCB Institutional Memory: annual; Institutional conferences, press releases, Board resolutions: as required.
- 8/ Monetary Policy Report: weekly; BCB Institutional Memory: annual; Conferences: as required.
- 9/ Monetary Policy Report: biannual; OMOs and Monetary Reports: annual; BCB Institutional Memory: annual; Institutional Conferences, press releases: as required.
- 10/ Monetary Policy Report: biannual; BCB Institutional Memory: annual; Institutional Conferences, press releases: as required.
- 11/ Monetary Policy Report: biannual; Institutional Conferences, press releases: as required.
- 12/ Biannual.
- 13/ As required.
- 14/ Monetary regulation includes: Open Market Operations, Complementary reserves, Requirements reserves, Special deposits and Liquidity loans.
- 15/ Our methodology links three sectors of the economy and, being related to the Financial Fiscal Program, also relates to the central bank balance. Taking into consideration a margin or deviation in amounts that are not significant in the majority of cases.
 - a. Averaging period is the span of time for reserves be maintained.
 - b. Delayed: the calculation period precedes the maintenance period $t_{2^c} < t_{1^p}$. Semi-delayed: the calculation period partially overlaps with the maintenance period $t_{2^c} > t_{1^p}$. Simultaneous: the end of the calculation and maintenance periods coincide $t_{2^c} = t_{1^p}$.
 - c. The calculation period refers to the period (days) considered for the calculation of the base to which the mandatory ratio applies

Brazil

Monetary policy framework

Section A

Main characteristics of the monetary policy framework

a1	Central bank mandate	Price stability; Financial stability
a2	Monetary regime	Inflation targeting
a3	Intermediate target	--
a4	Operational target	Short term interest rates
a5	Monetary policy instruments	Open Market Operations; Standing facilities; Reserves requirement

Governance of the monetary policy framework

a6	Degree of autonomy of monetary policy	Independence of objectives and instruments of monetary policy
Committee responsible of monetary policy decisions		
a7	Committee name	Monetary Policy Committee (COPOM)
a8	Organization	The committee responsible of monetary policy decisions and its functions are formally established
a9	Appointment of members	Appointed by the country President with a ratification of the Congress
a10	Committee composition	9 or more members
a11	Frequency of meetings	Eight times a year
a12	Decision-making	Members majority vote
Committee/area responsible of the implementation of the monetary policy decisions		
a13	Committee/area name	Open Market Operations Department
a14	Time frame between the decisions are taken and effectively implemented	Next day ^{1/}

Communication and transparency strategy of the monetary policy framework

a15	Monetary policy objective	Releases; minutes; reports
a16	Implementation of the monetary policy strategy	Releases; minutes; reports
a17	Monetary framework	--
a18	Monetary policy instruments design	Releases, webpage ^{2/}
a19	Operations expected/observed effects	Releases, webpage ^{2/}
a20	Economic outlook	Reports ^{3/}
a21	Future potential monetary policy actions	Releases; minutes; reports
a22	Monetary policy committee meeting minutes	Minutes, webpage ^{4/}
a23	Monetary policy committee voting results	Minutes, webpage ^{4/}
a24	Liquidity forecast	NA
a25	Calendar of monetary policy meetings	Releases, webpage ^{5/}
a26	Calendar of open market operations	NA
a27	Other	--

Brazil

Monetary policy instruments

Section B

Instruments of the central bank operations framework

b1	Open market operations	Purchase/sale of assets under a repurchase agreement (repos); Buying/selling government securities for monetary policy purposes
b2	Standing facilities	Intraday credit facilities; Credit facility overnight; Rediscounting window operations
b3	Reserve requirements	On demand deposits; Term and saving deposits

Open market operations

b1.1	Purchase/sale of assets under a repurchase agreement (repos)	
	Functions	Liquidity management
	Initiation mode	Multilateral or bidding
	Bidding mode	Auction by interest rate
	Term or maturity of the operation	Overnight, 45 days, 3 months, 6 months
	Collateral requirement	Yes
	Clearing and settlement	t (overnight and 45 days); t+1 (3 and 6 months)
	Authorized institutions	It varies, depending on the term ^{6f}
b1.2	Purchase/sale of assets under a repurchase agreement (repos)	
	Functions	Liquidity management
	Initiation mode	Bilateral or window
	Bidding mode	--
	Term or maturity of the operation	2 days
	Collateral requirement	Yes
	Clearing and settlement	t
	Authorized institutions	--
b1.3	Buying/selling government securities for monetary policy purposes	
	Functions	Liquidity management
	Initiation mode	Multilateral or bidding
	Bidding mode	Auction by interest rate
	Term or maturity of the operation	The CBB does not use this instrument since 2006
	Collateral requirement	--
	Clearing and settlement	t+1
	Authorized institutions	Banks, Security Brokerage Company, Security Distribution Company, Consumer Finance Company, Real Estate Credit Company, Savings and Loan Association, Micro-financing Institution, Development Agency, Mortgage Company, Credit Union, Leasing Company (public offering)

Standing facilities

b2.1	Intraday credit facilities	
	Functions	Liquidity management; Contribute to the achievement of monetary policy objectives
	Initiation mode	Bilateral or window
	Bidding mode	--
	Term or maturity of the operation	Intraday
	Collateral requirement	Yes
	Clearing and settlement	t
	Authorized institutions	Banks (banks, financial entities), finance and investment companies
b2.2	Credit facility overnight	
	Functions	--
	Initiation mode	Bilateral or window
	Bidding mode	--
	Term or maturity of the operation	1 day
	Collateral requirement	Yes
	Clearing and settlement	t
	Authorized institutions	--
b2.3	Rediscounting window operations	
	Functions	Liquidity management; Contribute to the achievement of monetary policy objectives; To avoid systemic risk
	Initiation mode	Bilateral or window
	Bidding mode	--
	Term or maturity of the operation	Up to 365 days
	Collateral requirement	Yes
	Clearing and settlement	t
	Authorized institutions	Banks (banks, financial entities)

Brazil		
Other nontraditional instruments		
b4	Controls over credit and interest rates	--
b5	Restrictions	--
b6	Liquidity prudential measures	--
Features of the reserve requirements		
National currency reserve requirements		
b3.1.1	Current account deposits	
	Use for settlement	Yes
	Averaging period ^a	Between 8 to 15 days
	Carry over	Asymmetric carry over on excess deposits up to 3% of target range
	Calculation type ^b	Delayed
	Calculation period ^c	Between 8 to 15 days
	Vault cash	Cash minimum requirement
	Ratio	45%
	Remuneration	0%
	Remuneration to excess reserves	No
	Penalties	Selic rate + 4% p.a.
	Settlement day	Fridays
b3.1.2	Saving accounts	
	Use for settlement	Yes
	Averaging period ^a	Between 1 to 7 days
	Carry over	NA
	Calculation type ^b	Delayed
	Calculation period ^c	Between 1 to 7 days
	Vault cash	No requirement for vault cash
	Ratio	24.5%
	Remuneration	Reference Rate (TR)+6.17% p.a. (TR is an interest rate that is correlated to the Selic Rate and is usually below it)
	Remuneration to excess reserves	No
	Penalties	Selic rate + 4% p.a.
	Settlement day	Fridays
b3.1.3	Time deposits or deposits certificates	
	Use for settlement	Yes
	Averaging period ^a	Between 1 to 7 days
	Carry over	NA
	Calculation type ^b	Delayed
	Calculation period ^c	Between 1 to 7 days
	Vault cash	No requirement for vault cash
	Ratio	36.0%
	Remuneration	Selic Rate (short term interest rate that is used as the operational target of monetary policy)
	Remuneration to excess reserves	No
	Penalties	Selic rate + 4% p.a.
	Settlement day	Fridays
Collateral management framework: operational aspects and key features		
b7	Legal certainty	OMO: Yes Standing facilities: Yes
b8	Credit quality	OMO: Yes Standing facilities: Yes
b9	Market transparency and price availability	OMO: Yes Standing facilities: NA
b10	Liquidity in the collateral market	OMO: Yes Standing facilities: NA
b11	Cost of handling and settlement	OMO: NA Standing facilities: NA
b12	Eligible assets	OMO: Central or federal government debt Standing Facilities: Central or federal government debt, Local government debt, Corporate bonds, Unsecured bank debt instruments, Bank loans, Equities
b13	Risk controls	OMO: Haircut Standing facilities: Haircut
b14	Institutions that are eligible to collateralized credit facilities	OMO: -- Standing facilities: Government, Private sector
b15	Limits	OMO: -- Standing facilities: NA

Brazil

Liquidity management

Section C

Liquidity management and the central bank operations framework

c1	Liquidity injection/withdrawal	Multiple rate auction ^{7/}
c2	Approach	Liquidity and withdrawal provision of the financial institutions through OMOs - repo agreements (forward looking)
Liquidity forecasts framework (1)		
c3	Forecast horizon	Between 1 to 180 days
c4	Averaged period	--
c5	Forecast range of time	1 day
c6	Forecast frequency	Daily
c7	Revision	It depends on what factor
c8	Factor (autonomous or internal) with higher volatility	Federal Government expenditures
c9	Factor (autonomous and internal) with less data available	Federal Government expenditures; Other federal revenues
c10	Publication	No
c11	Target balance	No
c12	Factors considered by the central bank to forecast the financial system liquidity needs	Federal Government expenditures, Federal Government tax collection and other federal revenues, Cash in circulation, Reserve requirements, BCB foreign exchange transactions (only outstanding operations), Issuance and redemption of domestic federal debt.
c13	Liquidity forecast and the central bank's balance sheet	They usually coincide
c14	Most frequent position of the central bank's balance sheet	Debtor
Liquidity forecasts framework (2)		
c15	Autoregressive models' method	Yes
c16	Time series based systematic modeling approach	Yes
c17	Reference periods (historical): behavior in the previous year	Yes
c18	Reference periods (historical): behavior of the same day/same date of the previous year	Yes
c19	Behavior in recent weeks	Yes
c20	Forecast errors-autocorrelation of errors	--
c21	Other	--

Market characteristics and central banking operations implementation

Section D

Desirable market conditions for the implementation of central banking operations

d1	Inflation targeting is high priority above other objectives	Yes
d2	Absence of fiscal dominance	Yes
d3	Central bank independence	No ^{9/}
d4	Significant control of the monetary policy instruments	Yes
d5	Adequate methodology for liquidity forecasts	Yes
d6	Well-developed government securities market	Yes
d7	Deep interbank market	Yes
d8	Institutions and financial markets that are resilient to fluctuations of the exchange rate and interest rate	Yes
d9	Other	--
Barriers for the implementation of monetary policy framework		
d10	Partial or total dollarization	No
d11	Limited capacity to diversify or deepen financial markets due to low demand for financial services	No
d12	The central bank must provide the government with liquidity whenever the government requires	No
d13	Excess structural liquidity	No
d14	Deficient monetary policy implementation	No
d15	Undeveloped financial system	No
d16	Other	No

Brazil

Notes

- 1/ The final decision – the Selic rate target and the bias, if any – is announced by the Deputy Governor of Monetary Policy on the same day, after the closing time of local financial markets. The Open Market Department follows the new Selic rate target on the following day of the decision.
- 2/ Daily, weekly and monthly frequency.
- 3/ Quarterly.
- 4/ After each Monetary Policy Committee meeting.
- 5/ Annually.
- 6/ For overnight and 45 days: Financial entities; Security Brokerage Company, Security Distribution Company (primary dealers). For 3 and 6 months: Financial entities; Security Brokerage Company, Security Distribution Company, Consumer Finance Company, Real Estate Credit Company, Savings and Loan Association, Micro-financing Institution, Development Agency, Mortgage Company, Credit Union, Leasing Company (public offering).
- 7/ Specifically: based on liquidity projections, the Central Bank announced on a daily basis if there will be expansive or contractive auctions. Market participants are allowed to make a single offer at any rate they choose. The Central Bank decides the total amount and the cut rate of the auction. Each institution will be charged the interest rate that it presented in its own offer.
- 8/ Foreign exchange transactions: only outstanding operations.
- 9/ Independence “de facto” but no “de jure”.
 - a. Averaging period is the span of time for reserves be maintained.
 - b. Delayed: the calculation period precedes the maintenance period $t_2^c < t_1^p$. Semi-delayed: the calculation period partially overlaps with the maintenance period $t_2^c > t_1^p$. Simultaneous: the end of the calculation and maintenance periods coincide $t_2^c = t_1^p$.
 - c. The calculation period refers to the period (days) considered for the calculation of the base to which the mandatory ratio applies

Chile

Monetary policy framework

Section A

Main characteristics of the monetary policy framework

a1	Central bank mandate	Price stability, Sound functioning of payment systems ^{1/}
a2	Monetary regime	Inflation targeting
a3	Intermediate target	--
a4	Operational target	Short term interest rates
a5	Monetary policy instruments	Open market operations

Governance of the monetary policy framework

a6	Degree of autonomy of monetary policy	Independence of objectives and instruments of monetary policy ^{2/}
Committee responsible of monetary policy decisions		
a7	Committee name	Consejo del Banco Central de Chile
a8	Organization	The committee responsible of monetary policy decisions and its functions are formally established
a9	Appointment of members	Appointed by the country President with a ratification of the Congress
a10	Committee composition	3-5 members
a11	Frequency of meetings	Monthly
a12	Decision-making	Members majority vote
Committee/area responsible of the implementation of the monetary policy decisions		
a13	Committee/area name	Financial Market Division
a14	Time frame between the decisions are taken and effectively implemented	Immediately

Communication and transparency strategy of the monetary policy framework

a15	Monetary policy objective	Official document ^{3/}
a16	Implementation of the monetary policy strategy	Reports; Releases; Minutes ^{4/}
a17	Monetary framework	Official document ^{3/}
a18	Monetary policy instruments design	--
a19	Operations expected/observed effects	--
a20	Economic outlook	Reports ^{5/}
a21	Future potential monetary policy actions	Reports ^{6/}
a22	Monetary policy committee meeting minutes	Published eleven business days after the MPR
a23	Monetary policy committee voting results	Minutes ^{7/}
a24	Liquidity forecast	--
a25	Calendar of monetary policy meetings	Published six months in advance ^{8/}
a26	Calendar of open market operations	--
a27	Other	--

Chile

Monetary policy instruments

Section B

Instruments of the central bank operations framework

b1	Open market operations	Liquidity deposits; REPO; FX Swap; PDBC; Bonds (BCU, BCP, BCD)
b2	Standing facilities	FPD; FPL; FLI
b3	Reserve requirements	NA

Open market operations

b1.1	Liquidity deposits	
	Functions	Interest rate buffer; Liquidity management; Contribute to the achievement of monetary policy objectives; Adjustment function
	Initiation mode	Bilateral or window
	Bidding mode	NA
	Term or maturity of the operation	≥ 1 day
	Collateral requirement	No
	Clearing and settlement	t
	Authorized institutions	Financial entities (e.g. banks)
b1.2	REPO	
	Functions	Interest rate buffer; Liquidity management; Contribute to the achievement of monetary policy objectives; Signaling; Adjustment function
	Initiation mode	Multilateral or bidding; Bilateral or window
	Bidding mode	Auction by interest rate
	Term or maturity of the operation	≥ 1 day
	Collateral requirement	Yes
	Clearing and settlement	t
	Authorized institutions	Financial entities (e.g. banks)
b1.3	FX Swap	
	Functions	Interest rate buffer; Liquidity management; Contribute to the achievement of monetary policy objectives
	Initiation mode	Multilateral or bidding; Bilateral or window
	Bidding mode	Auction by interest rate
	Term or maturity of the operation	≥ 1 day
	Collateral requirement	Yes
	Clearing and settlement	Variable; t+0, t+1, t+2
	Authorized institutions	Financial entities (e.g. banks)
b1.4	PDBC	
	Functions	Interest rate buffer; Liquidity management; Contribute to the achievement of monetary policy objectives; Signaling
	Initiation mode	Multilateral or bidding; Bilateral or window
	Bidding mode	Auction by interest rate
	Term or maturity of the operation	≥ 1 day
	Collateral requirement	No
	Clearing and settlement	Variable; t+0 t+1
	Authorized institutions	Financial entities (e.g. banks); Stock markets; Investment companies; Investment companies specialized in pensions funds
b1.5	Bonds (BCU, BCP, BCD)	
	Functions	Interest rate buffer; Liquidity management; Contribute to the achievement of monetary policy objectives; Signaling
	Initiation mode	Multilateral or bidding; Bilateral or window
	Bidding mode	Auction by interest rate
	Term or maturity of the operation	≥ 1 year
	Collateral requirement	No
	Clearing and settlement	Variable; t+0, t+1, t+2
	Authorized institutions	Financial entities (e.g. banks); Stock markets; Investment companies; Investment companies specialized in pensions funds

Chile		
Standing facilities		
b2.1	FPD	
	Functions	Interest rate buffer, Contribute to the achievement of monetary policy objectives
	Initiation mode	Bilateral or window
	Bidding mode	NA
	Term or maturity of the operation	1 day
	Collateral requirement	No
	Clearing and settlement	t
	Authorized institutions	Financial entities (e.g. banks)
b2.2	FPL	
	Functions	Interest rate buffer, Contribute to the achievement of monetary policy objectives
	Initiation mode	Bilateral or window
	Bidding mode	NA
	Term or maturity of the operation	1 day
	Collateral requirement	Yes
	Clearing and settlement	t
	Authorized institutions	Financial entities (e.g. banks)
b2.3	FLI	
	Functions	--
	Initiation mode	Bilateral or window
	Bidding mode	NA
	Term or maturity of the operation	Intraday
	Collateral requirement	Yes
	Clearing and settlement	t
	Authorized institutions	Financial entities (e.g. banks)
Other nontraditional instruments		
b4	Controls over credit and interest rates	No
b5	Restrictions	No
b6	Liquidity prudential measures	Yes, HQLA, LCR, NSFR (at the moment only monitored without a direct effect in the monetary programming)
Features of the reserve requirements		
National currency reserve requirements		
b3.1.1	Current account deposits	
	Use for settlement	No
	Averaging period ^a	> 15 days
	Carry over	NA
	Calculation type ^b	Delayed
	Calculation period ^c	> 15 days
	Vault cash	No requirement for vault cash
	Ratio	9%
	Remuneration	0%
	Remuneration to excess reserves	No
	Penalties	Supervised and penalized by the Bank's Superintendence
	Settlement day	Variable
b3.1.2	Time deposits or deposits certificates	
	Use for settlement	No
	Averaging period ^a	> 15 days
	Carry over	NA
	Calculation type ^b	Delayed
	Calculation period ^c	> 15 days
	Vault cash	No requirement for vault cash
	Ratio	3.6%
	Remuneration	Half of the monthly inflation of two month ago
	Remuneration to excess reserves	No
	Penalties	Supervised and penalized by the Bank's Superintendence
	Settlement day	Variable

Chile		
Foreign currency reserve requirements		
b3.2.1	Current account deposits	
	Use for settlement	No
	Averaging period ^a	> 15 days
	Carry over	NA
	Calculation type ^b	Delayed
	Calculation period ^c	> 15 days
	Vault cash	No requirement for vault cash
	Ratio	9%
	Remuneration	0%
	Remuneration to excess reserves	No
	Penalties	Supervised and penalized by the Bank's Superintendence
	Settlement day	Variable
b3.2.3	Time deposits or deposits certificates	
	Use for settlement	No
	Averaging period ^a	> 15 days
	Carry over	NA
	Calculation type ^b	Delayed
	Calculation period ^c	> 15 days
	Vault cash	No requirement for vault cash
	Ratio	3.6%
	Remuneration	0%
	Remuneration to excess reserves	No
	Penalties	Supervised and penalized by the Bank's Superintendence
	Settlement day	Variable
Collateral management framework: operational aspects and key features		
b7	Legal certainty	Yes
b8	Credit quality	Yes
b9	Market transparency and price availability	Yes
b10	Liquidity in the collateral market	Yes
b11	Cost of handling and settlement	NA
b12	Eligible assets	Unsecured bank debt instruments; Asset backed securities (ABS); Central Bank debt
b13	Risk controls	Haircut; Price and margin calls
b14	Institutions that are eligible to collateralized credit facilities	Financial entities
b15	Limits	NA

Chile

Liquidity management

Section C

Liquidity management and the central bank operations framework

c1	Liquidity injection/withdrawal	One rate ^{9/} ; two rates ^{10/} ; Monthly auctions ^{11/}
c2	Approach	Liquid current account holdings; Provision and withdrawal of liquidity from credit institutions by OMOs (forward view)

Liquidity forecasts framework (1)

c3	Forecast horizon	1-4 days; 5-7 days; 16-29 days; 1 month
c4	Averaged period	1 month
c5	Forecast range of time	1 day; 15 days; 1 month
c6	Forecast frequency	Daily; weekly; at the end of the month
c7	Revision	Intraday; daily; weekly
c8	Factor (autonomous or internal) with higher volatility	Assets portfolios and their pattern of renewals or maturities of the main banking system creditors
c9	Factor (autonomous and internal) with less data available	Information lags (5 days) of the banking management liquidity and operations of the main banking systems creditors
c10	Publication	No
c11	Target balance	No
c12	Factors considered by the central bank to forecast the financial system liquidity needs	Autonomous factors: Monetary base growth. Internal factors: Regulatory and commercial requirements by banks, Seasonal liquidity requirements, behavior of the main banks creditors ^{12/}
c13	Liquidity forecast and the central bank's balance sheet	They almost always coincide
c14	Most frequent position of the central bank's balance sheet	Debtor

Liquidity forecasts framework (2)

c15	Autoregressive models' method	Yes
c16	Time series based systematic modeling approach	Yes
c17	Reference periods (historical): behavior in the previous year	Yes
c18	Reference periods (historical): behavior of the same day/same date of the previous year	Yes
c19	Behavior in recent weeks	Yes
c20	Forecast errors-autocorrelation of errors	--
c21	Other	--

Market characteristics and central banking operations implementation

Section D

Desirable market conditions for the implementation of central banking operations

d1	Inflation targeting is high priority above other objectives	Yes
d2	Absence of fiscal dominance	Yes
d3	Central bank independence	Yes
d4	Significant control of the monetary policy instruments	Yes
d5	Adequate methodology for liquidity forecasts	Yes
d6	Well-developed government securities market	Yes
d7	Deep interbank market	Yes
d8	Institutions and financial markets that are resilient to fluctuations of the exchange rate and interest rate	Yes
d9	Other	--

Barriers for the implementation of monetary policy framework

d10	Partial or total dollarization	No
d11	Limited capacity to diversify or deepen financial markets due to low demand for financial services	No
d12	The central bank must provide the government with liquidity whenever the government requires	No
d13	Excess structural liquidity	--
d14	Deficient monetary policy implementation	No
d15	Undeveloped financial system	No
d16	Other	--

Chile

Notes

- 1/ The Constitutional Organic Law established that the Bank objectives are "to ensure the price stability and the normal functioning of internal and external payments".
- 2/ Objectives are established in general terms by law. The Central Bank interprets them autonomously (inflation at 3% most of the time). In
- 3/ The Central Bank of Chile Monetary Policy Framework it is summarized in BCCCh (2007).
- 4/ Inflation report published quarterly. MPR minutes and releases monthly.
- 5/ On a quarterly basis.
- 6/ Monetary Policy Dossier (quarterly): the most probable trajectory of the monetary policy rate during the forecast horizon. The Monetary Policy Report (MPR) (monthly): includes a reference to the most likely direction of the next monetary policy rate movements.
- 7/ Monthly.
- 8/ Monthly updated.
- 9/ The central bank announces a single rate at which it receives and lends unlimited resources to the financial system
- 10/ The central bank lends unlimitedly to a rate and receives any amount of resources at a lower rate.
- 11/ According to the monthly liquidity projection and to the daily recalculations the available reserves amount on the system is regulated
- 12/ Monetary base growth and its components evolution. Legal and commercial requirements (assets and liabilities) for banks, seasonal liquidity requirements and behavior of the main banking creditors that impact the liquidity concentration.
 - a. Averaging period is the span of time for reserves be maintained.
 - b. Delayed: the calculation period precedes the maintenance period $t_2^c < t_1^p$. Semi-delayed: the calculation period partially overlaps with
 - c. The calculation period refers to the period (days) considered for the calculation of the base to which the mandatory ratio applies

COLOMBIA

Monetary policy framework

Section A

Main characteristics of the monetary policy framework

a1	Central bank mandate	Financial stability; Maintaining low and stable inflation and smooth fluctuations in output and employment around a path of sustained growth
a2	Monetary regime	Inflation targeting
a3	Intermediate target	NA
a4	Operational target	Short term interest rates
a5	Monetary policy instruments	Open market operations

Governance of the monetary policy framework

a6	Degree of autonomy of monetary policy	Independence of instruments, but not of monetary policy objectives
Committee responsible of monetary policy decisions		
a7	Committee name	Junta Directiva del Banco de la República
a8	Organization	The committee responsible of monetary policy decisions and its functions are formally established
a9	Appointment of members	Appointed by the country President. The Manager is appointed by the JDBR.
a10	Committee composition	6 - 8 members
a11	Frequency of meetings	Monthly
a12	Decision-making	Members majority vote
Committee/area responsible of the implementation of the monetary policy decisions		
a13	Committee/area name	Department of Operations and Market Development
a14	Time frame between the decisions are taken and effectively implemented	Next business day ^{1/}

Communication and transparency strategy of the monetary policy framework

a15	Monetary policy objective	Website (monetary policy); Inflation report introduction; Congress report introduction
a16	Implementation of the monetary policy strategy	Website (monetary policy); Inflation report introduction; Congress report introduction. ^{2/}
a17	Monetary framework	Website (monetary policy) ^{3/}
a18	Monetary policy instruments design	Website (monetary policy) ^{3/}
a19	Operations expected/observed effects	Congress Report; Inflation Report ^{4/}
a20	Economic outlook	Congress Report; Inflation Report; Monetary Policy Report; Press Release ^{5/}
a21	Future potential monetary policy actions	NA
a22	Monetary policy committee meeting minutes	Minutes ^{6/}
a23	Monetary policy committee voting results	Press releases; Minutes ^{6/}
a24	Liquidity forecast	Not published
a25	Calendar of monetary policy meetings	Website (monetary policy) ^{3/}
a26	Calendar of open market operations	Calls on Banco de la Republica's electronic board-Sebra. ^{7/}
a27	Other	NA

COLOMBIA

Monetary policy instruments

Section B

Instruments of the central bank operations framework

b1	Open market operations	Expansionary - Loans with collateral (repo operations); Expansionary/contractionary - Purchase/Sale public debt securities at secondary market; Contractionary - Non-legal-reserve paid deposits (DRNCE); Contractionary - Securities issuance in coordination with government.
b2	Standing facilities	Expansionary window - Collateral loans; Contractionary window
b3	Reserve requirements	NA (It is more an instrument to guarantee deposits, than one to regulate the amount of money)

Open market operations

b1.1	EXPANSIONARY - Loans with collateral (repo operations) - Auctions	
	Functions	Liquidity management; Contribute to the achievement of monetary policy objectives
	Initiation mode	Multilateral or bidding
	Bidding mode	Auction by interest rate
	Term or maturity of the operation	Usually 1 day. Sporadically with terms longer than 1 day
	Collateral requirement	Yes
	Clearing and settlement	t
	Authorized institutions	--
b1.2	EXPANSIONARY/CONTRACTIONARY - Purchase/Sale public debt securities at secondary market ^{15/}	
	Functions	Liquidity management; Contribute to the achievement of monetary policy objectives
	Initiation mode	Blind system ^{8/}
	Bidding mode	Blind system ^{9/}
	Term or maturity of the operation	NA
	Collateral requirement	NA
	Clearing and settlement	t
	Authorized institutions	--
b1.3	CONTRACTIONARY - Non-legal-reserve paid deposits (DRNCE)	
	Functions	Liquidity management; Contribute to the achievement of monetary policy objectives
	Initiation mode	Multilateral or bidding
	Bidding mode	Auction by interest rate
	Term or maturity of the operation	More than 1 day. Usually from 7 to 14 days
	Collateral requirement	No
	Clearing and settlement	t+0
	Authorized institutions	--
b1.4	CONTRACTIONARY - Securities issuance in coordination with government	
	Functions	Liquidity management; Contribute to the achievement of monetary policy objectives
	Initiation mode	Multilateral or bidding
	Bidding mode	Auction by interest rate
	Term or maturity of the operation	More than 1 day. In the past, bonds have been issued with 90 days and 3 years terms.
	Collateral requirement	NA
	Clearing and settlement	t+0
	Authorized institutions	--

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Standing facilities		
b2.1	Expansionary window - Collateral loans (repo operations)	
	Functions	Liquidity management; Monetary control
	Initiation mode	Bilateral or window
	Bidding mode	There is no quota and resources are allocated at a single rate (100 p.b. above the policy rate)
	Term or maturity of the operation	Overnight
	Collateral requirement	Yes
	Clearing and settlement	t+0
	Authorized institutions	Financial entities (e.g. banks), Stock markets, Financing companies; Financial cooperatives
b2.2	Contractionary window	
	Functions	Liquidity management; Monetary control
	Initiation mode	Bilateral or window
	Bidding mode	There is no quota and resources are allocated at a single rate (100 p.b. below the policy rate)
	Term or maturity of the operation	Overnight
	Collateral requirement	No
	Clearing and settlement	t+0
	Authorized institutions	Financial entities (e.g. banks); Stock markets; Investment management companies; Pension and unemployment fund management companies; Rediscount public entities, fiduciaries; Capitalization companies; Exchange and Special financial services companies; Financial entities guarantee fund.
Other nontraditional instruments		
b4	Controls over credit and interest rates	No
b5	Restrictions	Yes, LCO. Banco de la República establishes what type of entities can access to each intervention mechanism
b6	Liquidity prudential measures	Yes, HQLA

COLOMBIA

Features of the reserve requirements

National currency reserve requirements		
b3.1.1	Current account deposits	
	Use for settlement	Yes
	Averaging period ^a	Between 8-15 days
	Carry over	NA
	Calculation type ^b	Delayed
	Calculation period ^c	Between 8-15 days
	Vault cash	Cash minimum requirement or in deposits at the central bank
	Ratio	11%
	Remuneration	NA
	Remuneration to excess reserves	No
	Penalties	3.5% of the unfulfilled
	Settlement day	Tuesday
b3.1.2	Saving accounts	
	Use for settlement	Yes
	Averaging period ^a	Between 8-15 days
	Carry over	NA
	Calculation type ^b	Delayed
	Calculation period ^c	Between 8-15 days
	Vault cash	Cash minimum requirement or in deposits at the central bank
	Ratio	11%
	Remuneration	NA
	Remuneration to excess reserves	No
	Penalties	3.5% of the unfulfilled
	Settlement day	Tuesday
b3.1.3	Time deposits or deposits certificates	
	Use for settlement	Yes
	Averaging period ^a	Between 8-15 days
	Carry over	NA
	Calculation type ^b	Delayed
	Calculation period ^c	Between 8-15 days
	Vault cash	Cash minimum requirement or in deposits at the central bank
	Ratio	4.5% for a < 18-months term; 0% for a > 18-month term
	Remuneration	NA
	Remuneration to excess reserves	No
	Penalties	3.5% of the unfulfilled
	Settlement day	Tuesday

Collateral management framework: operational aspects and key features

b7	Legal certainty	Yes
b8	Credit quality	Yes
b9	Market transparency and price availability	Yes
b10	Liquidity in the collateral market	Yes
b11	Cost of handling and settlement	--
b12	Eligible assets	Usually: Central or federal government debt, if necessary Corporate bonds, Unsecured bank debt instruments and other are admissible. ^{10/}
b13	Risk controls	Haircut; Limits to credit for each institution; Price and margin calls; Additional, credit rating ^{11/}
b14	Institutions that are eligible to collateralized credit facilities	Financial institutions defined as OMOs dealers ^{12/}
b15	Limits	Individual counterparties credit limits ^{13/}

COLOMBIA

Liquidity management

Section C

Liquidity management and the central bank operations framework

c1	Liquidity injection/withdrawal	Two rates (Apply for over the counter transactions); Auction (with minimum rate (expansion))
c2	Approach	Provision and withdrawal of liquidity from credit institutions by OMOs (forward view); Coordination to carry out the liquidity deposits for the central government.

Liquidity forecasts framework (1)

c3	Forecast horizon	1-4 days; 1 month and annual
c4	Averaged period	14 days
c5	Forecast range of time	1 day; 1 month, weekly and annual
c6	Forecast frequency	Daily; biweekly and variable
c7	Revision	Daily and other
c8	Factor (autonomous or internal) with higher volatility	Government deposits at the central bank and monetary base demand
c9	Factor (autonomous and internal) with less data available	Cash demand
c10	Publication	No
c11	Target balance	No
c12	Factors considered by the central bank to forecast the financial system liquidity needs	Projections on supply and demand of monetary base are considered. For the case of the monetary base demand: Cash projection. Monetary base is the cash sum and the calculated bank reserve. Projection of monetary base offer: International reserves, securities investments (basically TES) and deposits of the government in the bank. ^{14/}
c13	Liquidity forecast and the central bank's balance sheet	They almost always coincide
c14	Most frequent position of the central bank's balance sheet	Creditor

Liquidity forecasts framework (2)

c15	Autoregressive models' method	Yes
c16	Time series based systematic modeling approach	Yes
c17	Reference periods (historical): behavior in the previous year	Yes
c18	Reference periods (historical): behavior of the same day/same date of the previous year	Yes
c19	Behavior in recent weeks	Yes
c20	Forecast errors-autocorrelation of errors	Yes
c21	Other	Forecast on the monetary base offer

Market characteristics and central banking operations implementation

Section D

Desirable market conditions for the implementation of central banking operations

d1	Inflation targeting is high priority above other objectives	Yes
d2	Absence of fiscal dominance	Yes
d3	Central bank independence	Yes
d4	Significant control of the monetary policy instruments	Yes
d5	Adequate methodology for liquidity forecasts	Yes
d6	Well-developed government securities market	Yes
d7	Deep interbank market	No
d8	Institutions and financial markets that are resilient to fluctuations of the exchange rate and interest rate	Yes
d9	Other	--

Barriers for the implementation of monetary policy framework

d10	Partial or total dollarization	No
d11	Limited capacity to diversify or deepen financial markets due to low demand for financial services	No
d12	The central bank must provide the government with liquidity whenever the government requires	No
d13	Excess structural liquidity	No
d14	Deficient monetary policy implementation	No
d15	Undeveloped financial system	No
d16	Other	--

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Notes

- 1/ However, for some decisions the Board of Directors may establish a term greater than 1 business day for implementation.
- 2/ Quarterly and permanently posted on the website.
- 3/ Permanently posted on the website.
- 4/ Congress Report: biannual; Inflation Report: quarterly
- 5/ Congress Report: biannual; Inflation Report: quarterly; Monetary Policy Report: monthly, Press Release: monthly.
- 6/ Monthly
- 7/ Daily
- 8/ Usually: Through an electronic trading platform (blind system). It could be done through auction.
- 9/ El Banco de la República realiza compras/ventas de títulos de deuda pública en el SEN (sistema electrónico de negociación de los bonos de deuda). El SEN es ciego. Sin embargo, el Banco podría realizar subastas para compra/venta definitiva de títulos de deuda pública en el mercado secundario.
- 10/ This is announced in the call for expansion operations. At the "Circular Reglamentaria Externa DEF 354" norm (with number 3.1.2) it is specified that the transitory expansion and contraction transactions may be carried out through the execution of repurchase agreements (repo) with Security bonds, Agricultural Development securities (TDA), TES Class B, National Debt Securities, Securities issued by FOGAFIN and Securities issued by the BR. In addition, transitory expansion operations with ordinary bonds, Term Deposit Certificates -CDT-, commercial papers, securities from mortgage portfolio securitization (including residential leasing) and public debt securities different from those already mentioned may be carried out as long as it has passed at least one month from the first placement of issue they dematerialized staying in a central securities depository and are rated by the rating securities firms.
- 11/ CRE DEF 354 numeral 3.1.2
- 12/ Defined as OMOs dealers according to the CRE DEF 354.
- 13/ DEF 354 numeral 4.1
- 14/ Projections on monetary base supply and demand are considered. In this case: Additional liquidity needs = Monetary base demand - Monetary base supply. In the case of monetary base demand: cash projections are estimated by using economy activity indicators, interest rates and inflations, as well as the composition of deposits with requirements reserves to forecast reserves. These deposits result from the projection of a broader monetary aggregate (M3) whose explanatory variables correspond to economic activity, differential of internal and external interest rates, capital flows, risk indicators (EMBI and CDs), inflation, among others. The sum of cash and the calculated bank reserve comprises the monetary base. Forecasts of monetary base offer: projections are obtained from the central bank main balance accounts such as international reserves, investments in securities (basically TES) and government deposits at the central bank. Additional, projection of central bank results with monetary impact are considered, although these represented a lower amount.
- 15/ The Banco de la Republica is legally authorized to issue its own securities (and then could buy or sell them in the secondary market) however has not issued yet.
 - a. Averaging period is the span of time for reserves be maintained.
 - b. Delayed: the calculation period precedes the maintenance period $t_2 < t_1^p$. Semi-delayed: the calculation period partially overlaps with the maintenance period $t_2 > t_1^p$. Simultaneous: the end of the calculation and maintenance periods coincide $t_2 = t_1^p$.
 - c. The calculation period refers to the period (days) considered for the calculation of the base to which the mandatory ratio applies

Costa Rica

Monetary policy framework

Section A

Main characteristics of the monetary policy framework

a1	Central bank mandate	Price stability
a2	Monetary regime	Transition to inflation targeting
a3	Intermediate target	--
a4	Operational target	Short term interest rates
a5	Monetary policy instruments	Open Market Operations; Standing facilities; Reserves requirement

Governance of the monetary policy framework

a6	Degree of autonomy of monetary policy	Independence of instruments, but not of monetary policy objectives
Committee responsible of monetary policy decisions		
a7	Committee name	Comisión de Mercados
a8	Organization	The committee responsible of monetary policy decisions and its functions are formally established
a9	Appointment of members	Appointed by the country President
a10	Committee composition	9 or more members
a11	Frequency of meetings	Fortnightly
a12	Decision-making	Consensus
Committee/area responsible of the implementation of the monetary policy decisions		
a13	Committee/area name	Market Commission and the Asset and Liability Management Division
a14	Time frame between the decisions are taken and effectively implemented	The implementation time frame is established by the Board of Directors and can varies ^{1/}

Communication and transparency strategy of the monetary policy framework

a15	Monetary policy objective	--
a16	Implementation of the monetary policy strategy	Reports; Releases; Board of Directors Reports and Agreements ^{2/ 3/}
a17	Monetary framework	Board of Directors Reports and Agreements ^{2/ 4/}
a18	Monetary policy instruments design	Reports; Releases ^{4/}
a19	Operations expected/observed effects	Reports; Releases; Webpage ^{5/}
a20	Economic outlook	Reports; Releases; Webpage and Conferences ^{6/}
a21	Future potential monetary policy actions	Reports; Releases; Reports; Board of Directors Reports and Agreements ^{7/}
a22	Monetary policy committee meeting minutes	These are provided at the request of the interested party
a23	Monetary policy committee voting results	No
a24	Liquidity forecast	Reports; Conferences ^{2/}
a25	Calendar of monetary policy meetings	No
a26	Calendar of open market operations	Releases ^{8/}
a27	Other	

Costa Rica

Monetary policy instruments

Section B

Instruments of the central bank operations framework

b1	Open market operations	Central bank securities issuance, denominated Monetary Stabilization Bonds (BEM); Purchase of BEM at secondary market; Term deposits issuance (DEP); Injection and acquisition through auctions at liquidity market
b2	Standing facilities	Credit facility; Deposit facility
b3	Reserve requirements	Current account deposits

Open market operations

b1.1	Central bank securities issuance, (BEM)	
	Functions	Monetary control; Contribute to the achievement of monetary policy objectives; Signaling
	Initiation mode	Multilateral or bidding
	Bidding mode	Auction by volume; Auction by interest rate
	Term or maturity of the operation	3 years ^{9/}
	Collateral requirement	No
	Clearing and settlement	t+2
	Authorized institutions	Financial entities (e.g. banks); Stock markets
b1.2	Purchase of BEM at secondary market	
	Functions	Contribute to the achievement of monetary policy objectives; Signaling
	Initiation mode	Bilateral or window
	Bidding mode	--
	Term or maturity of the operation	All terms issued (decreases the liability).
	Collateral requirement	No
	Clearing and settlement	t+1
	Authorized institutions	Stock markets
b1.3	Term deposits issuance (DEP)	
	Functions	Monetary control; Signaling; Contribute to the achievement of monetary policy objectives
	Initiation mode	Bilateral or window
	Bidding mode	--
	Term or maturity of the operation	Up to 5 years
	Collateral requirement	No
	Clearing and settlement	t
	Authorized institutions	Financial entities (e.g. banks); Stock markets; Investment companies; Investment companies specialized in pensions funds; Natural or legal persons
b1.4	Injection and acquisition through auctions at liquidity market	
	Functions	--
	Initiation mode	Multilateral or bidding
	Bidding mode	Auction by volume; Auction by interest rate
	Term or maturity of the operation	1, 7 and 14 days
	Collateral requirement	Yes in case of injection
	Clearing and settlement	t
	Authorized institutions	Financial entities (e.g. banks); Stock markets; Investment companies; Investment companies specialized in pensions funds; Natural or legal persons

Standing facilities

b2.1	Credit facility	
	Functions	Liquidity management; Contribute to the achievement of monetary policy objectives; Signaling
	Initiation mode	Bilateral or window
	Bidding mode	--
	Term or maturity of the operation	1 day
	Collateral requirement	Yes
	Clearing and settlement	t
	Authorized institutions	Financial entities (e.g. banks); Stock markets; Investment companies; Investment companies specialized in pensions funds. ^{10/}

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b2.2	Deposit facility	
	Functions	Liquidity management; Contribute to the achievement of monetary policy objectives; Signaling
	Initiation mode	Bilateral or window
	Bidding mode	--
	Term or maturity of the operation	1 day
	Collateral requirement	No
	Clearing and settlement	t
	Authorized institutions	Financial entities (e.g. banks); Stock markets; Investment companies; Investment companies specialized in pensions funds; ^{10/} Unsupervised savings and credit cooperatives and "solidaristas" associations (some of them are not supervised)
Other nontraditional instruments		
b4	Controls over credit and interest rates	No
b5	Restrictions	Minimum capital requirements, determined annually ^{11/}
b6	Liquidity prudential measures	(HQLA) High-quality liquid assets; (LCR) Liquidity coverage ratio
Features of the reserve requirements		
National currency reserve requirements		
b3.1.1	Current account deposits	
	Use for settlement	Yes
	Averaging period ^a	Between 8-15 days
	Carry over	NA
	Calculation type ^b	Delayed
	Calculation period ^c	Between 8-15 days
	Vault cash	No requirement for vault cash
	Ratio	15%
	Remuneration	NA
	Remuneration to excess reserves	No
	Penalties	By default of the EML: rediscount rate (current rate 18%)
	Settlement day	NA
b3.1.2	Saving accounts	
	Use for settlement	NA
	Averaging period ^a	NA
	Carry over	NA
	Calculation type ^b	NA
	Calculation period ^c	NA
	Vault cash	NA
	Ratio	NA
	Remuneration	NA
	Remuneration to excess reserves	NA
	Penalties	By default of the EML: rediscount rate (current rate 18%)
	Settlement day	NA
b3.1.3	Time deposits or deposits certificates	
	Use for settlement	NA
	Averaging period ^a	NA
	Carry over	NA
	Calculation type ^b	NA
	Calculation period ^c	NA
	Vault cash	NA
	Ratio	NA
	Remuneration	NA
	Remuneration to excess reserves	NA
	Penalties	By default of the EML: rediscount rate (current rate 18%)
	Settlement day	NA

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Foreign currency reserve requirements		
b3.2.1	Current account deposits	
	Use for settlement	Yes
	Averaging period ^a	Between 8-15 days
	Carry over	NA
	Calculation type ^b	Delayed
	Calculation period ^c	Between 8-15 days
	Vault cash	No requirement for vault cash
	Ratio	15%
	Remuneration	NA
	Remuneration to excess reserves	No
	Penalties	By default of the EML: rediscount rate (current rate 18%)
	Settlement day	NA
b3.2.2	Saving accounts	
	Use for settlement	NA
	Averaging period ^a	NA
	Carry over	NA
	Calculation type ^b	NA
	Calculation period ^c	NA
	Vault cash	NA
	Ratio	NA
	Remuneration	NA
	Remuneration to excess reserves	NA
	Penalties	By default of the EML: rediscount rate (current rate 18%)
	Settlement day	NA
b3.2.3	Time deposits or deposits certificates	
	Use for settlement	NA
	Averaging period ^a	NA
	Carry over	NA
	Calculation type ^b	NA
	Calculation period ^c	NA
	Vault cash	NA
	Ratio	NA
	Remuneration	None
	Remuneration to excess reserves	No
	Penalties	By default of the EML: rediscount rate (current rate 18%)
	Settlement day	NA
Collateral management framework: operational aspects and key features		
b7	Legal certainty	Yes
b8	Credit quality	Yes
b9	Market transparency and price availability	Yes
b10	Liquidity in the collateral market	Yes
b11	Cost of handling and settlement	Yes
b12	Eligible assets	Central or federal government debt; other ^{12/}
b13	Risk controls	Haircut
b14	Institutions that are eligible to collateralized credit facilities	Financial institutions
b15	Limits	NA

Costa Rica

Liquidity management

Section C

Liquidity management and the central bank operations framework

c1	Liquidity injection/withdrawal	Two rates
c2	Approach	^{13/}
Liquidity forecasts framework (1)		
c3	Forecast horizon	1 month
c4	Averaged period	--
c5	Forecast range of time	1 month
c6	Forecast frequency	Daily
c7	Revision	Intraday
c8	Factor (autonomous or internal) with higher volatility	Government, public sector ^{14/}
c9	Factor (autonomous and internal) with less data available	Cash demand
c10	Publication	No
c11	Target balance	No
c12	Factors considered by the central bank to forecast the financial system liquidity needs	Government deposits, Financial institutions deposits, Debt maturities, Exchange operations and Cash demand.
c13	Liquidity forecast and the central bank's balance sheet	The projections almost always coincide ^{15/}
c14	Most frequent position of the central bank's balance sheet	The most frequent position of the BCCR at MIL has been debtor ^{16/}
Liquidity forecasts framework (2)		
c15	Autoregressive models' method	--
c16	Time series based systematic modeling approach	Yes
c17	Reference periods (historical): behavior in the previous year	Yes
c18	Reference periods (historical): behavior of the same day/same date of the previous year	Yes
c19	Behavior in recent weeks	Yes
c20	Forecast errors-autocorrelation of errors	--
c21	Other	--

Market characteristics and central banking operations implementation

Section D

Desirable market conditions for the implementation of central banking operations

d1	Inflation targeting is high priority above other objectives	Yes
d2	Absence of fiscal dominance	Yes
d3	Central bank independence	Yes
d4	Significant control of the monetary policy instruments	Yes
d5	Adequate methodology for liquidity forecasts	Yes
d6	Well-developed government securities market	No
d7	Deep interbank market	No
d8	Institutions and financial markets that are resilient to fluctuations of the exchange rate and interest rate	Yes
d9	Other	--

Barriers for the implementation of monetary policy framework

d10	Partial or total dollarization	Yes
d11	Limited capacity to diversify or deepen financial markets due to low demand for financial services	Yes
d12	The central bank must provide the government with liquidity whenever the government requires	No
d13	Excess structural liquidity	Yes
d14	Deficient monetary policy implementation	No
d15	Undeveloped financial system	No
d16	Other	--

Costa Rica

Notes

- 1/ From the very short term to weeks or months, depending on the measure and the gradual application established by the Board of Directors.
- 2/ All the above is posted on the BCCR website.
- 3/ With the following frequencies: Annual, Biannual, Monthly; Weekly and in case of change
- 4/ In case of change is published.
- 5/ With the following frequencies: Annual, Biannual, daily and in case of change.
- 6/ Frequency: annual, biannual and monthly
- 7/ At the moment in which the Board approves the provisions.
- 8/ Biannual.
- 9/ Mostly up to three years
- 10/ Financial companies (bank and non-banking) supervised by one of the Conassif superintendencies
- 11/ The BCCR Board of Directors, by legal disposition has the faculty to determine, according to its criteria, the minimum amount of capital for the private banks.
- 12/ It correspond to those securities issued by: BCCR, autonomous entities, other sovereign governments that have long-term sovereign or sovereign risk rating equal to AAA and securities issued by supranational entities that have a long-term risk rating equal to AAA.
- 13/ Take in consideration all those variables that involve funds inflows or outflows to or from the BCCR, such as government deposits, financial institutions sight deposits, debt maturities, fx transactions, demand for cash.
- 14/ Central government deposits at the Central Bank.
- 15/ Central Bank liquidity projections considers all those variables that involve inflows or outflows of resources to or from the BCCR.
- 16/ However, in the course of 2017, the Bank has presented both positions.
 - a. Averaging period is the span of time for reserves be maintained.
 - b. Delayed: the calculation period precedes the maintenance period $t_{2^c} < t_{1^p}$. Semi-delayed: the calculation period partially overlaps with the maintenance period $t_{2^c} > t_{1^p}$. Simultaneous: the end of the calculation and maintenance periods coincide $t_{2^c} = t_{1^p}$.
 - c. The calculation period refers to the period (days) considered for the calculation of the base to which the mandatory ratio applies

Eastern Caribbean Central Bank

Monetary policy framework

Section A

Main characteristics of the monetary policy framework

a1	Central bank mandate	Financial stability; Sound functioning of payment systems; Long-term economic growth
a2	Monetary regime	Hard peg
a3	Intermediate target	International Reserves
a4	Operational target	--
a5	Monetary policy instruments	Standing facilities; Reserves requirement; Minimum rate on savings deposits; Discount rate

Governance of the monetary policy framework

a6	Degree of autonomy of monetary policy	Independence of objectives and instruments of monetary policy
Committee responsible of monetary policy decisions		
a7	Committee name	Policy Committee
a8	Organization	The committee responsible of monetary policy decisions and its functions are formally established
a9	Appointment of members	Appointed by the Governor, Board or other internal governing bodies of the central bank
a10	Committee composition	9 or more members
a11	Frequency of meetings	Fortnightly
a12	Decision-making	Consensus
Committee/area responsible of the implementation of the monetary policy decisions		
a13	Committee/area name	Banking and Monetary Operations Department
a14	Time frame between the decisions are taken and effectively implemented	Variable ^{1/}

Communication and transparency strategy of the monetary policy framework

a15	Monetary policy objective	Reports, ECCB website
a16	Implementation of the monetary policy strategy	Releases; Press releases ^{2/}
a17	Monetary framework	ECCB website ^{3/}
a18	Monetary policy instruments design	Reports; ECCB website ^{3/ 4/}
a19	Operations expected/observed effects	Reports ^{4/}
a20	Economic outlook	Reports ^{5/}
a21	Future potential monetary policy actions	--
a22	Monetary policy committee meeting minutes	--
a23	Monetary policy committee voting results	--
a24	Liquidity forecast	--
a25	Calendar of monetary policy meetings	--
a26	Calendar of open market operations	--
a27	Other	--

Eastern Caribbean Central Bank

Monetary policy instruments

Section B

Instruments of the central bank operations framework

b1	Open market operations	NA
b2	Standing facilities	Deposit facilities; Credit facilities; Current account deposits
b3	Reserve requirements	Current account deposits

Standing facilities

b2.1	Deposit facilities	
	Functions	Banking service
	Initiation mode	Bilateral or window
	Bidding mode	--
	Term or maturity of the operation	Max - 3 months
	Collateral requirement	No
	Clearing and settlement	t
	Authorized institutions	Financial entities (e.g. banks); Eastern Caribbean Currency Union governments
b2.2	Credit facilities	
	Functions	Lender of last resort
	Initiation mode	Bilateral or window
	Bidding mode	--
	Term or maturity of the operation	Max - 91 days; 12 months
	Collateral requirement	Yes: commercial banks; No: government
	Clearing and settlement	t+1
	Authorized institutions	Financial entities (e.g. banks); Eastern Caribbean Currency Union governments
b2.3	Current account deposits	
	Functions	Settlement and reserve requirement
	Initiation mode	Bilateral or window
	Bidding mode	--
	Term or maturity of the operation	On demand
	Collateral requirement	No
	Clearing and settlement	t
	Authorized institutions	Financial entities (e.g. banks); Eastern Caribbean Currency Union governments

Other nontraditional instruments

b4	Controls over credit and interest rates	Yes, limits for borrowing or deposit interest rate. The floor on the deposit interest rate is intended to encourage saving
b5	Restrictions	Yes, minimum capital requirements. Not used as a monetary policy tool. To ensure the stability of the banking sector
b6	Liquidity prudential measures	No

Eastern Caribbean Central Bank

Features of the reserve requirements

National currency reserve requirements

b3.1.1	Current account deposits	
	Use for settlement	Yes
	Averaging period ^a	Between 1-7 days
	Carry over	Target range
	Calculation type ^b	Simultaneous
	Calculation period ^c	Between 1-7 days
	Vault cash	Cash minimum requirement
	Ratio	6%
	Remuneration	0
	Remuneration to excess reserves	No
	Penalties	500 bps above the discount rate
	Settlement day	Wednesday

Collateral management framework: operational aspects and key features

b7	Legal certainty	Yes
b8	Credit quality	Yes
b9	Market transparency and price availability	NA
b10	Liquidity in the collateral market	NA
b11	Cost of handling and settlement	Yes
b12	Eligible assets	Central or federal government debt
b13	Risk controls	Haircut; Limits to credit for each institution
b14	Institutions that are eligible to collateralized credit facilities	Commercial banks
b15	Limits	NA

Liquidity management

Section C

Liquidity management and the central bank operations framework

c1	Liquidity injection/withdrawal	NA
c2	Approach	NA

Liquidity forecasts framework (1)

c3	Forecast horizon	NA
c4	Averaged period	NA
c5	Forecast range of time	NA
c6	Forecast frequency	NA
c7	Revision	NA
c8	Factor (autonomous or internal) with higher volatility	NA
c9	Factor (autonomous and internal) with less data available	NA
c10	Publication	NA
c11	Target balance	NA
c12	Factors considered by the central bank to forecast the financial system liquidity needs	NA
c13	Liquidity forecast and the central bank's balance sheet	--
c14	Most frequent position of the central bank's balance sheet	--

Liquidity forecasts framework (2)

c15	Autoregressive models' method	NA
c16	Time series based systematic modeling approach	NA
c17	Reference periods (historical): behavior in the previous year	NA
c18	Reference periods (historical): behavior of the same day/same date of the previous year	NA
c19	Behavior in recent weeks	NA
c20	Forecast errors-autocorrelation of errors	NA
c21	Other	

Eastern Caribbean Central Bank

Market characteristics and central banking operations implementation

Section D

Desirable market conditions for the implementation of central banking operations

d1	Inflation targeting is high priority above other objectives	--
d2	Absence of fiscal dominance	--
d3	Central bank independence	--
d4	Significant control of the monetary policy instruments	--
d5	Adequate methodology for liquidity forecasts	--
d6	Well-developed government securities market	--
d7	Deep interbank market	--
d8	Institutions and financial markets that are resilient to fluctuations of the exchange rate and interest rate	--
d9	Other	--

Barriers for the implementation of monetary policy framework

d10	Partial or total dollarization	--
d11	Limited capacity to diversify or deepen financial markets due to low demand for financial services	--
d12	The central bank must provide the government with liquidity whenever the government requires	--
d13	Excess structural liquidity	--
d14	Deficient monetary policy implementation	--
d15	Undeveloped financial system	--
d16	Other	--

Notes

- 1/ The time frame will be based on the nature of the decision.
- 2/ Published after each Monetary Council meeting.
- 3/ There is a copy of the ECCB Agreement permanently on the website that lays out the monetary framework.
- 4/ In case of a change.
- 5/ Quarterly.
 - a. Averaging period is the span of time for reserves be maintained.
 - b. Delayed: the calculation period precedes the maintenance period $t_{2^c} < t_{1^p}$. Semi-delayed: the calculation period partially overlaps with the maintenance period $t_{2^c} > t_{1^p}$. Simultaneous: the end of the calculation and maintenance periods coincide $t_{2^c} = t_{1^p}$.
 - c. The calculation period refers to the period (days) considered for the calculation of the base to which the mandatory ratio applies

Ecuador

Monetary policy framework

Section A

Main characteristics of the monetary policy framework

a1	Central bank mandate	Implement and execute policies and regulations dictated by the Monetary and Financial Policy and Regulation Board; Financial Stability; Sound functioning of payment systems; Long-term economic growth
a2	Monetary regime	Dollarization
a3	Intermediate target	Monetary aggregates; Credit volume
a4	Operational target	Short term interest rates; Bank reserves; Supply and distribution of bills and coins in the country.
a5	Monetary policy instruments	Open Market Operations; Reserves requirement; Domestic investment and securities issue

Governance of the monetary policy framework

a6	Degree of autonomy of monetary policy	Monetary policy objectives and instruments are decided jointly with the government.
Committee responsible of monetary policy decisions		
a7	Committee name	Junta de Política y Regulación Monetaria y Financiera
a8	Organization	The committee responsible of monetary policy decisions and its functions are formally established
a9	Appointment of members	NA
a10	Committee composition	3-5 members
a11	Frequency of meetings	On a monthly basis and when necessary and in an ad-hoc manner
a12	Decision-making	Members majority vote
Committee/area responsible of the implementation of the monetary policy decisions		
a13	Committee/area name	Monetary and Financial Policy and Regulation Board
a14	Time frame between the decisions are taken and effectively implemented	Variable, the Financial and Monetary Policy and Regulation Board established the measure implementation date and its temporality according to the resolutions characteristics.

Communication and transparency strategy of the monetary policy framework

a15	Monetary policy objective	Releases
a16	Implementation of the monetary policy strategy	Resolutions ^{1/}
a17	Monetary framework	Reports; Reserved Reports ^{2/}
a18	Monetary policy instruments design	Reports; Reserved Reports ^{3/}
a19	Operations expected/observed effects	Reports; Assessment Report ^{4/}
a20	Economic outlook	Reports ^{5/}
a21	Future potential monetary policy actions	Reserved Reports; Assessment Reports ^{6/}
a22	Monetary policy committee meeting minutes	Minutes ^{1/}
a23	Monetary policy committee voting results	Minutes ^{1/}
a24	Liquidity forecast	Reports ^{7/}
a25	Calendar of monetary policy meetings	Releases
a26	Calendar of open market operations	NA
a27	Other	--

Ecuador

Monetary policy instruments

Section B

Instruments of the central bank operations framework

b1	Open market operations	Banco Central del Ecuador Securities Issuance; Rediscounting window; Reporto operations
b2	Standing facilities	NA
b3	Reserve requirements	Minimum liquidity reserves

Open market operations

b1.1	Banco Central del Ecuador Securities Issuance	
	Functions	Public entities (Public finance governing body); Natural or legal person
	Initiation mode	Bilateral or window
	Bidding mode	NA
	Term or maturity of the operation	Short term
	Collateral requirement	No
	Clearing and settlement	t
	Authorized institutions	Liquidity management; Monetary control; Promote private capital investment; Contribute to the achievement of monetary policy objectives
b1.2	Rediscounting window	
	Functions	Financial entities (e.g. banks)
	Initiation mode	Bilateral or window
	Bidding mode	NA
	Term or maturity of the operation	Short term
	Collateral requirement	Yes
	Clearing and settlement	t
	Authorized institutions	--
b1.3	Reporto operations	
	Functions	Financial entities (e.g. banks)
	Initiation mode	Bilateral or window
	Bidding mode	NA
	Term or maturity of the operation	Short term
	Collateral requirement	Yes
	Clearing and settlement	t
	Authorized institutions	--

Other nontraditional instruments

b4	Controls over credit and interest rates	Yes, limits or floor at the interest rate for credit or deposit, the BCE proposes and monitors the standards issued by the Board on maximum interest rate
b5	Restrictions	No
b6	Liquidity prudential measures	Yes, High-quality liquid assets (Minimum liquidity reserves)

Ecuador		
Features of the reserve requirements		
National currency reserve requirements		
b3.1.1	Current account deposits	
	Use for settlement	Yes
	Averaging period ^a	Between 8-15 days
	Carry over	NA
	Calculation type ^b	Delayed
	Calculation period ^c	Between 8-15 days
	Vault cash	No requirement for vault cash
	Ratio	5% - 7%
	Remuneration	NA
	Remuneration to excess reserves	No
	Penalties	--
	Settlement day	Wednesday
b3.1.2	Saving accounts	
	Use for settlement	Yes
	Averaging period ^a	Between 8-15 days
	Carry over	NA
	Calculation type ^b	Delayed
	Calculation period ^c	Between 8-15 days
	Vault cash	No requirement for vault cash
	Ratio	5% - 7%
	Remuneration	NA
	Remuneration to excess reserves	No
	Penalties	--
	Settlement day	Wednesday
b3.1.3	Time deposits or deposits certificates	
	Use for settlement	Yes
	Averaging period ^a	Between 8-15 days
	Carry over	NA
	Calculation type ^b	Delayed
	Calculation period ^c	Between 8-15 days
	Vault cash	No requirement for vault cash
	Ratio	5% - 7%
	Remuneration	NA
	Remuneration to excess reserves	No
	Penalties	--
	Settlement day	Wednesday
Collateral management framework: operational aspects and key features		
b7	Legal certainty	Yes
b8	Credit quality	Yes
b9	Market transparency and price availability	Yes
b10	Liquidity in the collateral market	Yes
b11	Cost of handling and settlement	NA
b12	Eligible assets	Central or federal government debt; Asset backed securities (ABS); Bank loans; Equities
b13	Risk controls	Limits to credit for each institution; Limits to the use of specific collateral for each institution
b14	Institutions that are eligible to collateralized credit facilities	Government; Financial institutions
b15	Limits	Individual counterparties limits on the use of specific collaterals

Ecuador

Liquidity management

Section C

Liquidity management and the central bank operations framework

c1	Liquidity injection/withdrawal	One rate
c2	Approach	Liquid current account holdings; Liquidity analysis through the balance sheet (backward view)
Liquidity forecasts framework (1)		
c3	Forecast horizon	Another period (no indicated)
c4	Averaged period	1 day
c5	Forecast range of time	Another period (no indicated)
c6	Forecast frequency	Another period (no indicated)
c7	Revision	Daily
c8	Factor (autonomous or internal) with higher volatility	Abroad transactions; Cash demand
c9	Factor (autonomous and internal) with less data available	Cash demand
c10	Publication	No
c11	Target balance	No
c12	Factors considered by the central bank to forecast the financial system liquidity needs	The main role of the Banco Central del Ecuador (BCE) in a dollarization economy, is the liquidity management through regular banking operations. Liquidity necessary adequate functioning of the economy with the exterior and to meet internal cash demand
c13	Liquidity forecast and the central bank's balance sheet	Short-term forecasts are directly linked to the institution balance sheet movements, both international reserves and the deposits accounts
c14	Most frequent position of the central bank's balance sheet	NA
Liquidity forecasts framework (2)		
c15	Autoregressive models' method	Yes
c16	Time series based systematic modeling approach	Yes
c17	Reference periods (historical): behavior in the previous year	Yes
c18	Reference periods (historical): behavior of the same day/same date of the previous year	Yes
c19	Behavior in recent weeks	--
c20	Forecast errors-autocorrelation of errors	Yes
c21	Other	Liquidity forecast is also supported the disbursements and debt service programming, which do not correspond to econometric projection exercise

Market characteristics and central banking operations implementation

Section D

Desirable market conditions for the implementation of central banking operations

d1	Inflation targeting is high priority above other objectives	No
d2	Absence of fiscal dominance	No
d3	Central bank independence	Yes
d4	Significant control of the monetary policy instruments	Yes
d5	Adequate methodology for liquidity forecasts	--
d6	Well-developed government securities market	No
d7	Deep interbank market	No
d8	Institutions and financial markets that are resilient to fluctuations of the exchange rate and interest rate	No
d9	Other	--

Barriers for the implementation of monetary policy framework

d10	Partial or total dollarization	Yes
d11	Limited capacity to diversify or deepen financial markets due to low demand for financial services	No
d12	The central bank must provide the government with liquidity whenever the government requires	No
d13	Excess structural liquidity	--
d14	Deficient monetary policy implementation	No
d15	Undeveloped financial system	No
d16	Other	--

Ecuador

Notes

- 1/ In case of change.
- 2/ Annually and when it is needed.
- 3/ Quarterly, or when required.
- 4/ Annual, biannual and when it is needed.
- 5/ Annual and quarterly
- 6/ Quarterly or in case of a change.
- 7/ Monthly and quarterly.
- 8/ Monthly and in extraordinary meetings.
 - a. Averaging period is the span of time for reserves be maintained.
 - b. Delayed: the calculation period precedes the maintenance period $t_2^c < t_1^p$. Semi-delayed: the calculation period partially overlaps with the maintenance period $t_2^c > t_1^p$. Simultaneous: the end of the calculation and maintenance periods coincide $t_2^c = t_1^p$.
- c. The calculation period refers to the period (days) considered for the calculation of the base to which the mandatory ratio applies

El Salvador

Monetary policy framework

Section A

Main characteristics of the monetary policy framework

a1	Central bank mandate	Price stability; Sound functioning of payment systems
a2	Monetary regime	Dollarization
a3	Intermediate target	NA
a4	Operational target	NA
a5	Monetary policy instruments	NA

Governance of the monetary policy framework

a6	Degree of autonomy of monetary policy	NA
Committee responsible of monetary policy decisions		
a7	Committee name	NA
a8	Organization	NA
a9	Appointment of members	NA
a10	Committee composition	NA
a11	Frequency of meetings	NA
a12	Decision-making	NA
Committee/area responsible of the implementation of the monetary policy decisions		
a13	Committee/area name	NA
a14	Time frame between the decisions are taken and effectively implemented	NA

Communication and transparency strategy of the monetary policy framework

a15	Monetary policy objective	NA
a16	Implementation of the monetary policy strategy	NA
a17	Monetary framework	NA
a18	Monetary policy instruments design	NA
a19	Operations expected/observed effects	NA
a20	Economic outlook	NA
a21	Future potential monetary policy actions	NA
a22	Monetary policy committee meeting minutes	NA
a23	Monetary policy committee voting results	NA
a24	Liquidity forecast	NA
a25	Calendar of monetary policy meetings	NA
a26	Calendar of open market operations	NA
a27	Other	NA

El Salvador

Monetary policy instruments

Section B

Instruments of the central bank operations framework

b1	Open market operations	NA
b2	Standing facilities	NA
b3	Reserve requirements	NA

Other nontraditional instruments

b4	Controls over credit and interest rates	No ^{1/}
b5	Restrictions	No
b6	Liquidity prudential measures	No ^{2/}

Features of the reserve requirements

National currency reserve requirements

b3.1.1	Current account deposits	
	Use for settlement	NA
	Averaging period ^a	Between 8-15 days
	Carry over	NA
	Calculation type ^b	Delayed
	Calculation period ^c	Between 8-15 days
	Vault cash	Another instrument (not indicated)
	Ratio	25%
	Remuneration	^{3/}
	Remuneration to excess reserves	Yes
	Penalties	^{4/}
	Settlement day	NA
b3.1.2	Saving accounts	
	Use for settlement	NA
	Averaging period ^a	Between 8-15 days
	Carry over	NA
	Calculation type ^b	Delayed
	Calculation period ^c	Between 8-15 days
	Vault cash	Another instrument (not indicated)
	Ratio	20%
	Remuneration	^{3/}
	Remuneration to excess reserves	Yes
	Penalties	^{4/}
	Settlement day	NA
b3.1.3	Time deposits or deposits certificates	
	Use for settlement	NA
	Averaging period ^a	Between 8-15 days
	Carry over	NA
	Calculation type ^b	Delayed
	Calculation period ^c	Between 8-15 days
	Vault cash	Another instrument (not indicated)
	Ratio	20%
	Remuneration	^{3/}
	Remuneration to excess reserves	Yes
	Penalties	^{4/}
	Settlement day	NA

EI Salvador

Collateral management framework: operational aspects and key features

b7	Legal certainty	NA
b8	Credit quality	NA
b9	Market transparency and price availability	NA
b10	Liquidity in the collateral market	NA
b11	Cost of handling and settlement	NA
b12	Eligible assets	NA
b13	Risk controls	NA
b14	Institutions that are eligible to collateralized credit facilities	NA
b15	Limits	NA

Liquidity management

Section C

Liquidity management and the central bank operations framework

c1	Liquidity injection/withdrawal	NA
c2	Approach	Liquidity analysis through the balance sheet (backward view)

Liquidity forecasts framework (1)

c3	Forecast horizon	--
c4	Averaged period	1 month and another period (no indicated)
c5	Forecast range of time	--
c6	Forecast frequency	At the end of the month and variable
c7	Revision	--
c8	Factor (autonomous or internal) with higher volatility	--
c9	Factor (autonomous and internal) with less data available	--
c10	Publication	--
c11	Target balance	--
c12	Factors considered by the central bank to forecast the financial system liquidity needs	No forecasts are made trying to specify the financial system liquidity needs; they are estimated for providing coins and bills according to their deterioration.
c13	Liquidity forecast and the central bank's balance sheet	--
c14	Most frequent position of the central bank's balance sheet	--

Liquidity forecasts framework (2)

c15	Autoregressive models' method	Yes
c16	Time series based systematic modeling approach	Yes
c17	Reference periods (historical): behavior in the previous year	Yes
c18	Reference periods (historical): behavior of the same day/same date of the previous year	Yes
c19	Behavior in recent weeks	Yes
c20	Forecast errors-autocorrelation of errors	Yes
c21	Other	--

El Salvador

Market characteristics and central banking operations implementation

Section D

Desirable market conditions for the implementation of central banking operations

d1	Inflation targeting is high priority above other objectives	
d2	Absence of fiscal dominance	
d3	Central bank independence	Yes
d4	Significant control of the monetary policy instruments	
d5	Adequate methodology for liquidity forecasts	Yes
d6	Well-developed government securities market	No
d7	Deep interbank market	No
d8	Institutions and financial markets that are resilient to fluctuations of the exchange rate and interest rate	
d9	Other	--

Barriers for the implementation of monetary policy framework

d10	Partial or total dollarization	Yes
d11	Limited capacity to diversify or deepen financial markets due to low demand for financial services	--
d12	The central bank must provide the government with liquidity whenever the government requires	No
d13	Excess structural liquidity	--
d14	Deficient monetary policy implementation	--
d15	Undeveloped financial system	--
d16	Other	--

Notes

1/ There is a legal maximum of interest rate allowed under the Law Against Usury, Legislative Decree No 221 issued on December 6, 2012.

2/ There is a Liquidity Reserve but it is not for monetary policy purposes.

3/ No compensation is paid for compliance, the total reserves are remunerated as established by of the BCR Board of Directors at the CD-12/2014 session on March 24, 2014 that says: At that time, the Board of Directors agreed to: a) Authorize that the remuneration of the three tranches of the liquidity reserves, held in the BCR by banks, cooperative banks and savings and credit companies, be made as follow: -Tranches I and II, will be remunerated based on the return of Bank of America - Merrill Lynch (GOB1) Treasury Index between 0 and 3 months, which will be calculated based on daily balances and will be remunerated quarterly. -Tranche III, will be remunerated based on the return of Bank of America - Merrill Lynch (GOB2) Treasury Index between 3 and 6 months, which will be calculated based on daily balances and will be remunerated semiannually.- b) Authorize that when the payment of the Tranches remuneration is negative, a symbolic remuneration of one cent of the United States Dollar will be applied.

4/ There is no penalty fee for non-compliance, because each non-compliance is evaluated by the Legal Unit of the Financial System Superintendence and the amount of the penalty depends on the severity of the breach. This amount can be up to two percent of the estate, in accordance with the provisions of Article 44 of the Law on Supervision and Regulation of the Financial System.

a. Averaging period is the span of time for reserves be maintained.

b. Delayed: the calculation period precedes the maintenance period $t_2^c < t_1^p$. Semi-delayed: the calculation period partially overlaps with the maintenance period $t_2^c > t_1^p$. Simultaneous: the end of the calculation and maintenance periods coincide $t_2^c = t_1^p$.

c. The calculation period refers to the period (days) considered for the calculation of the base to which the mandatory ratio applies

Guatemala

Monetary policy framework

Section A

Main characteristics of the monetary policy framework

a1	Central bank mandate	Price stability
a2	Monetary regime	Inflation targeting
a3	Intermediate target	Expectations
a4	Operational target	Short term interest rates
a5	Monetary policy instruments	Open Market Operations; Standing facilities; Reserves requirement

Governance of the monetary policy framework

a6	Degree of autonomy of monetary policy	Independence of objectives and instruments of monetary policy
Committee responsible of monetary policy decisions		
a7	Committee name	Junta Monetaria
a8	Organization	The committee responsible of monetary policy decisions and its functions are formally established
a9	Appointment of members	NA
a10	Committee composition	6-8 members
a11	Frequency of meetings	Weekly and when necessary and on an ad-hoc basis
a12	Decision-making	Members majority vote
Committee/area responsible of the implementation of the monetary policy decisions		
a13	Committee/area name	Execution Committee
a14	Time frame between the decisions are taken and effectively implemented	Immediately

Communication and transparency strategy of the monetary policy framework

a15	Monetary policy objective	Reports (Monetary, Exchange and Credit Evaluation and Review); Press releases; Monetary Board Resolutions ^{1/}
a16	Implementation of the monetary policy strategy	Monetary Policy Reports; Reports to the congress; Press Releases; Monetary Board Resolutions ^{2/}
a17	Monetary framework	Monetary Policy Reports; Reports to the congress; Press Releases; Monetary Board Resolutions ^{2/}
a18	Monetary policy instruments design	Monetary Policy Reports; Reports to the congress; Press Releases; Monetary Board Resolutions ^{2/}
a19	Operations expected/observed effects	Monetary Policy Reports; Reports to the congress; Press Releases; Monetary Board Resolutions ^{2/}
a20	Economic outlook	Monetary Policy Report; Press Releases; President of the Banco de Guatemala speeches ^{3/}
a21	Future potential monetary policy actions	Monetary Board resolutions ^{4/}
a22	Monetary policy committee meeting minutes	Minutes; An arguments summary that the Monetary Board took into consideration for decisions ^{5/}
a23	Monetary policy committee voting results	It is not disclosed
a24	Liquidity forecast	Estimated cash flow, only for internal use.
a25	Calendar of monetary policy meetings	Reports (Monetary, Exchange and Credit Evaluation and Review); Press Releases ^{6/}
a26	Calendar of open market operations	Execution Committee minutes, Press Releases ^{7/}
a27	Other	

Guatemala

Monetary policy instruments

Section B

Instruments of the central bank operations framework

b1	Open market operations	Term deposits reception; DP rights constitutions auctions; Window
b2	Standing facilities	Deposit facilities; Credit facilities
b3	Reserve requirements	Legal reserves

Open market operations

b1.1	Term deposits reception	
	Functions	--
	Initiation mode	Multilateral or bidding; Bilateral or window
	Bidding mode	Auction by interest rate
	Term or maturity of the operation	1 day
	Collateral requirement	Yes
	Clearing and settlement	t+0
	Authorized institutions	Financial entities (e.g. banks; financial societies)
b1.2	DP rights constitutions auctions	
	Functions	--
	Initiation mode	Multilateral or bidding; Bilateral or window
	Bidding mode	Action by price
	Term or maturity of the operation	> 1 day, with quarterly terms, up to 2 years
	Collateral requirement	No
	Clearing and settlement	t+1
	Authorized institutions	Natural or legal person
b1.3	Window	
	Functions	--
	Initiation mode	Bilateral or window
	Bidding mode	At an agreed rate
	Term or maturity of the operation	1 day and > 1 day, up to 2 years
	Collateral requirement	No
	Clearing and settlement	t+0
	Authorized institutions	--

Standing facilities

b2.1	Facilidades de Depósito	
	Functions	--
	Initiation mode	Bilateral or window
	Bidding mode	Auction by interest rate
	Term or maturity of the operation	1 day
	Collateral requirement	No
	Clearing and settlement	t+0
	Authorized institutions	--
b2.2	Facilidades de Crédito	
	Functions	--
	Initiation mode	Bilateral or window
	Bidding mode	Auction by interest rate
	Term or maturity of the operation	1 day
	Collateral requirement	Yes
	Clearing and settlement	t+0
	Authorized institutions	--

Other nontraditional instruments

b4	Controls over credit and interest rates	No
b5	Restrictions	Yes ^{B/}
b6	Liquidity prudential measures	Yes ^{B/}

Guatemala

Features of the reserve requirements

National currency reserve requirements		
b3.1.1	Current account deposits	
	Use for settlement	Yes
	Averaging period ^a	> 15 days
	Carry over	NA
	Calculation type ^b	Delayed
	Calculation period ^c	> 15 days
	Vault cash	Cash minimum requirement (25%)
	Ratio	14.60%
	Remuneration	0.60%
	Remuneration to excess reserves	No
	Penalties	A fine is applied on the deficit amount equivalent to one and a half times the maximum nominal interest active rate that the bank with a deficiency in its reserve has applied during the reserve calculation period
	Settlement day	t+2
b3.1.2	Saving accounts	
	Use for settlement	Yes
	Averaging period ^a	> 15 days
	Carry over	NA
	Calculation type ^b	Delayed
	Calculation period ^c	> 15 days
	Vault cash	Cash minimum requirement (25%)
	Ratio	14.60%
	Remuneration	0.60%
	Remuneration to excess reserves	No
	Penalties	A fine is applied on the deficit amount equivalent to one and a half times the maximum nominal interest active rate that the bank with a deficiency in its reserve has applied during the reserve calculation period
	Settlement day	t+2
b3.1.3	Time deposits or deposits certificates	
	Use for settlement	Yes
	Averaging period ^a	> 15 days
	Carry over	NA
	Calculation type ^b	Delayed
	Calculation period ^c	> 15 days
	Vault cash	Cash minimum requirement (25%)
	Ratio	14.60%
	Remuneration	0.60%
	Remuneration to excess reserves	No
	Penalties	A fine is applied on the deficit amount equivalent to one and a half times the maximum nominal interest active rate that the bank with a deficiency in its reserve has applied during the reserve calculation period
	Settlement day	t+2

Guatemala		
Foreign currency reserve requirements		
b3.2.1	Current account deposits	
	Use for settlement	Yes
	Averaging period ^a	> 15 days
	Carry over	NA
	Calculation type ^b	Delayed
	Calculation period ^c	> 15 days
	Vault cash	Cash minimum requirement (25%)
	Ratio	14.60%
	Remuneration	0.60%
	Remuneration to excess reserves	No
	Penalties	A fine is applied on the deficit amount equivalent to one and a half times the maximum nominal interest active rate that the bank with a deficiency in its reserve has applied during the reserve calculation period
	Settlement day	t+2
b3.2.2	Saving accounts	
	Use for settlement	Yes
	Averaging period ^a	> 15 days
	Carry over	NA
	Calculation type ^b	Delayed
	Calculation period ^c	> 15 days
	Vault cash	Cash minimum requirement (25%)
	Ratio	14.60%
	Remuneration	0.60%
	Remuneration to excess reserves	No
	Penalties	A fine is applied on the deficit amount equivalent to one and a half times the maximum nominal interest active rate that the bank with a deficiency in its reserve has applied during the reserve calculation period
	Settlement day	t+2
b3.2.3	Time deposits or deposits certificates	
	Use for settlement	Yes
	Averaging period ^a	> 15 days
	Carry over	NA
	Calculation type ^b	Delayed
	Calculation period ^c	> 15 days
	Vault cash	Cash minimum requirement (25%)
	Ratio	14.60%
	Remuneration	0.60%
	Remuneration to excess reserves	No
	Penalties	A fine is applied on the deficit amount equivalent to one and a half times the maximum nominal interest active rate that the bank with a deficiency in its reserve has applied during the reserve calculation period
	Settlement day	t+2
Collateral management framework: operational aspects and key features		
b7	Legal certainty	Yes
b8	Credit quality	Yes
b9	Market transparency and price availability	Yes
b10	Liquidity in the collateral market	NA
b11	Cost of handling and settlement	NA
b12	Eligible assets	Central government debt
b13	Risk controls	Haircut
b14	Institutions that are eligible to collateralized credit facilities	Financial institutions
b15	Limits	NA

Guatemala

Liquidity management

Section C

Liquidity management and the central bank operations framework

c1	Liquidity injection/withdrawal	Auction
c2	Approach	Provision and withdrawal of liquidity from credit institutions by OMOs (forward view)
Liquidity forecasts framework (1)		
c3	Forecast horizon	5-7 days; 1 month
c4	Averaged period	1 day
c5	Forecast range of time	1 day
c6	Forecast frequency	Daily
c7	Revision	Weekly
c8	Factor (autonomous or internal) with higher volatility	Central government cash
c9	Factor (autonomous and internal) with less data available	Private capital flows que impact RIN
c10	Publication	No
c11	Target balance	No
c12	Factors considered by the central bank to forecast the financial system liquidity needs	Estimated flow of: International Reserves, Government deposits at the Central Bank, Program maturities of stabilization operations, Central Bank expenditures and products, Monetary issuance demand, Bank liquidity position, among other
c13	Liquidity forecast and the central bank's balance sheet	They almost always coincide
c14	Most frequent position of the central bank's balance sheet	Debtor
Liquidity forecasts framework (2)		
c15	Autoregressive models' method	Yes
c16	Time series based systematic modeling approach	Yes
c17	Reference periods (historical): behavior in the previous year	Yes
c18	Reference periods (historical): behavior of the same day/same date of the previous year	Yes
c19	Behavior in recent weeks	Yes
c20	Forecast errors-autocorrelation of errors	--
c21	Other	--

Market characteristics and central banking operations implementation

Section D

Desirable market conditions for the implementation of central banking operations

d1	Inflation targeting is high priority above other objectives	Yes
d2	Absence of fiscal dominance	Yes
d3	Central bank independence	Yes
d4	Significant control of the monetary policy instruments	Yes
d5	Adequate methodology for liquidity forecasts	Yes
d6	Well-developed government securities market	No
d7	Deep interbank market	No
d8	Institutions and financial markets that are resilient to fluctuations of the exchange rate and interest rate	Yes
d9	Other	--

Barriers for the implementation of monetary policy framework

d10	Partial or total dollarization	Yes
d11	Limited capacity to diversify or deepen financial markets due to low demand for financial services	Yes
d12	The central bank must provide the government with liquidity whenever the government requires	No
d13	Excess structural liquidity	Yes
d14	Deficient monetary policy implementation	No
d15	Undeveloped financial system	Yes
d16	Other	--

Guatemala

Notes

- 1/ Annual publication, in December 2011 the Monetary Board determined the monetary, exchange and credit policy with indefinite validity and determined the medium-term inflation target, effective as of 2013. Said policy is evaluated and revised annually and in December of each year the results of said evaluation and review.
- 2/ Biannual, quarterly and in case of a change.
- 3/ Monthly and quarterly.
- 4/ In case of change
- 5/ Frequency: eight times a year; 30 days after a decision.
- 6/ Annual.
- 7/ Weekly.
- 8/ The Law on Banks and Financial Groups stipulates the minimum capital requirement (10%) and concentration limits (15% -30%).
- 9/ Currently, the Superintendence of Banks monitors the LCR, which could affect the level of available liquidity of banks.
 - a. Averaging period is the span of time for reserves be maintained.
 - b. Delayed: the calculation period precedes the maintenance period $t_2^c < t_1^p$. Semi-delayed: the calculation period partially overlaps with the maintenance period $t_2^c > t_1^p$. Simultaneous: the end of the calculation and maintenance periods coincide $t_2^c = t_1^p$.
 - c. The calculation period refers to the period (days) considered for the calculation of the base to which the mandatory ratio applies

Honduras

Monetary policy framework

Section A

Main characteristics of the monetary policy framework

a1	Central bank mandate	Price stability; Sound functioning of payment systems
a2	Monetary regime	Crawling peg ^{1/}
a3	Intermediate target	Real exchange rate
a4	Operational target	Interbank rate
a5	Monetary policy instruments	Open Market Operations; Standing facilities; Reserves requirement; Monetary Policy Rate

Governance of the monetary policy framework

a6	Degree of autonomy of monetary policy	Independence of instruments, but not of monetary policy objectives
Committee responsible of monetary policy decisions		
a7	Committee name	Comisión de Operaciones de Mercado Abierto (COMA)
a8	Organization	The committee responsible of monetary policy decisions and its functions are formally established
a9	Appointment of members	Appointed by the Governor, Board or other internal governing bodies of the central bank
a10	Committee composition	3-5 members ^{2/}
a11	Frequency of meetings	Eight times a year
a12	Decision-making	The Commission decisions are adopted unanimously. If this is not achieved, the difference is resolved by the Bank President.
Committee/area responsible of the implementation of the monetary policy decisions		
a13	Committee/area name	Open Market Operations Commission, Monetary Policy Technical Committee, Liquidity Technical Committee, Auction Committee
a14	Time frame between the decisions are taken and effectively implemented	Variable ^{3/}

Communication and transparency strategy of the monetary policy framework

a15	Monetary policy objective	Reports; Releases ^{4/}
a16	Implementation of the monetary policy strategy	Reports; Releases; Board resolutions ^{5/}
a17	Monetary framework	Reports; Releases; Board resolutions ^{5/}
a18	Monetary policy instruments design	Reports; Releases; Board resolutions ^{5/}
a19	Operations expected/observed effects	Reports ^{5/}
a20	Economic outlook	Reports; Releases ^{6/}
a21	Future potential monetary policy actions	Reports; Releases ^{6/}
a22	Monetary policy committee meeting minutes	NA
a23	Monetary policy committee voting results	NA
a24	Liquidity forecast	NA
a25	Calendar of monetary policy meetings	Meetings calendar published on the BCH web page
a26	Calendar of open market operations	Calendar published on the BCH web page
a27	Other	--

Honduras

Monetary policy instruments

Section B

Instruments of the central bank operations framework

b1	Open market operations	Notes (daily); Structural Notes; Bonds; Repo agreements
b2	Standing facilities	Investment; Credit
b3	Reserve requirements	Legal reserves - non-remunerated; Mandatory investments

Open market operations

b1.1	Notes (daily)	
	Functions	Liquidity management; Monetary control; Contribute to the achievement of monetary policy objectives
	Initiation mode	Multilateral or bidding
	Bidding mode	Auction by interest rate
	Term or maturity of the operation	1 day
	Collateral requirement	No
	Clearing and settlement	t
	Authorized institutions	Financial entities (e.g. banks)
b1.2	Structural Notes	
	Functions	Liquidity management; Monetary control; Contribute to the achievement of monetary policy objectives
	Initiation mode	Multilateral or bidding
	Bidding mode	Auction by interest rate
	Term or maturity of the operation	3, 6, 9 and 12 months
	Collateral requirement	No
	Clearing and settlement	t+2
	Authorized institutions	Financial entities (e.g. banks); Stock markets; Investment companies specialized in pensions funds; Public entities
b1.3	Bonds	
	Functions	Liquidity management; Monetary control; Contribute to the achievement of monetary policy objectives
	Initiation mode	Multilateral or bidding
	Bidding mode	Auction by interest rate
	Term or maturity of the operation	2 years
	Collateral requirement	No
	Clearing and settlement	t+2
	Authorized institutions	Financial entities (e.g. banks); Stock markets; Investment companies specialized in pensions funds; Public entities
b1.4	Repo agreements	
	Functions	Liquidity management; Monetary control; Contribute to the achievement of monetary policy objectives
	Initiation mode	Bilateral or window
	Bidding mode	Direct Trading
	Term or maturity of the operation	From 2 to 6 days
	Collateral requirement	Yes
	Clearing and settlement	t
	Authorized institutions	Financial entities (e.g. banks)

Standing facilities

b2.1	De inversión	
	Functions	Liquidity management; Monetary control; Contribute to the achievement of monetary policy objectives
	Initiation mode	Bilateral or window
	Bidding mode	Direct Trading
	Term or maturity of the operation	1 day
	Collateral requirement	No
	Clearing and settlement	t
	Authorized institutions	Financial entities (e.g. banks)
b2.2	De crédito	
	Functions	Liquidity management; Monetary control; Contribute to the achievement of monetary policy objectives
	Initiation mode	Bilateral or window
	Bidding mode	Direct Trading
	Term or maturity of the operation	1 day
	Collateral requirement	Yes
	Clearing and settlement	t
	Authorized institutions	Financial entities (e.g. banks)

Honduras		
Other nontraditional instruments		
b4	Controls over credit and interest rates	No
b5	Restrictions	No
b6	Liquidity prudential measures	No
Features of the reserve requirements		
National currency reserve requirements		
b3.1.1	Current account deposits	
	Use for settlement	Yes
	Averaging period ^a	14 days
	Carry over	NA
	Calculation type ^b	Delayed
	Calculation period ^c	14 days
	Vault cash	No requirement for vault cash
	Ratio	Non-remunerated: 12%, remunerated: 5%, total: 17%
	Remuneration	50% of the monetary policy rate
	Remuneration to excess reserves	No
	Penalties	Average active maximum interest rate plus 4 percentage points
	Settlement day	NA
b3.1.2	Saving accounts	
	Use for settlement	Yes
	Averaging period ^a	14 days
	Carry over	NA
	Calculation type ^b	Delayed
	Calculation period ^c	14 days
	Vault cash	No requirement for vault cash
	Ratio	Non-remunerated: 12%, remunerated: 5%, total: 17%
	Remuneration	50% of the monetary policy rate
	Remuneration to excess reserves	No
	Penalties	Average active maximum interest rate plus 4 percentage points
	Settlement day	NA
b3.1.3	Time deposits or deposits certificates	
	Use for settlement	Yes
	Averaging period ^a	14 days
	Carry over	NA
	Calculation type ^b	Delayed
	Calculation period ^c	14 days
	Vault cash	No requirement for vault cash
	Ratio	Non-remunerated: 12%, remunerated: 5%, total: 17%
	Remuneration	50% of the monetary policy rate
	Remuneration to excess reserves	No
	Penalties	Average active maximum interest rate plus 4 percentage points
	Settlement day	NA

Honduras		
Foreign currency reserve requirements		
b3.2.1	Current account deposits	
	Use for settlement	Yes
	Averaging period ^a	14 days
	Carry over	NA
	Calculation type ^b	Delayed
	Calculation period ^c	14 days
	Vault cash	No requirement for vault cash
	Ratio	Non-remunerated: 12%; remunerated: 12%; Total : 24%
	Remuneration	Biweekly average of the 1-month term LIBID rate
	Remuneration to excess reserves	No
	Penalties	Average active maximum interest rate plus 4 percentage points
	Settlement day	NA
b3.2.2	Saving accounts	
	Use for settlement	Yes
	Averaging period ^a	14 days
	Carry over	NA
	Calculation type ^b	Delayed
	Calculation period ^c	14 days
	Vault cash	No requirement for vault cash
	Ratio	Non-remunerated: 12%; remunerated: 12%; Total : 24%
	Remuneration	Biweekly average of the 1-month term LIBID rate
	Remuneration to excess reserves	No
	Penalties	Average active maximum interest rate plus 4 percentage points
	Settlement day	NA
b3.2.3	Time deposits or deposits certificates	
	Use for settlement	Yes
	Averaging period ^a	14 days
	Carry over	NA
	Calculation type ^b	Delayed
	Calculation period ^c	14 days
	Vault cash	No requirement for vault cash
	Ratio	Non-remunerated: 12%; remunerated: 12%; Total : 24%
	Remuneration	Biweekly average of the 1-month term LIBID rate
	Remuneration to excess reserves	No
	Penalties	Average active maximum interest rate plus 4 percentage points
	Settlement day	NA
Collateral management framework: operational aspects and key features		
b7	Legal certainty	Yes
b8	Credit quality	Yes
b9	Market transparency and price availability	Yes
b10	Liquidity in the collateral market	Yes
b11	Cost of handling and settlement	NA
b12	Eligible assets	Central or federal government debt; Central banks securities
b13	Risk controls	Haircut; Limits to credit for each institution ^{7/}
b14	Institutions that are eligible to collateralized credit facilities	Financial institutions
b15	Limits	NA

Honduras

Liquidity management

Section C

Liquidity management and the central bank operations framework		
c1	Liquidity injection/withdrawal	Auction
c2	Approach	Liquidity analysis through the balance sheet (backward view); Provision and withdrawal of liquidity from credit institutions by OMOs (forward view); Liquidity provision based only on demand of commercial banks
Liquidity forecasts framework (1)		
c3	Forecast horizon	1-4 days; 1 month
c4	Averaged period	NA
c5	Forecast range of time	1 day; 1 month
c6	Forecast frequency	Daily; at the end of the month
c7	Revision	--
c8	Factor (autonomous or internal) with higher volatility	International reserves
c9	Factor (autonomous and internal) with less data available	International reserves
c10	Publication	Yes
c11	Target balance	Yes
c12	Factors considered by the central bank to forecast the financial system liquidity needs	Two types of liquidity forecasts ^{8/}
c13	Liquidity forecast and the central bank's balance sheet	They usually coincide. It is considered a low forecast error.
c14	Most frequent position of the central bank's balance sheet	Debtor
Liquidity forecasts framework (2)		
c15	Autoregressive models' method	No
c16	Time series based systematic modeling approach	No
c17	Reference periods (historical): behavior in the previous year	Yes
c18	Reference periods (historical): behavior of the same day/same date of the previous year	Yes
c19	Behavior in recent weeks	Yes
c20	Forecast errors-autocorrelation of errors	NA
c21	Other	--

Market characteristics and central banking operations implementation

Section D

Desirable market conditions for the implementation of central banking operations		
d1	Inflation targeting is high priority above other objectives	Yes
d2	Absence of fiscal dominance	No
d3	Central bank independence	Yes
d4	Significant control of the monetary policy instruments	Yes
d5	Adequate methodology for liquidity forecasts	Yes
d6	Well-developed government securities market	No
d7	Deep interbank market	No
d8	Institutions and financial markets that are resilient to fluctuations of the exchange rate and interest rate	No
d9	Other	--
Barriers for the implementation of monetary policy framework		
d10	Partial or total dollarization	Yes
d11	Limited capacity to diversify or deepen financial markets due to low demand for financial services	Yes
d12	The central bank must provide the government with liquidity whenever the government requires	Yes
d13	Excess structural liquidity	Yes
d14	Deficient monetary policy implementation	No
d15	Undeveloped financial system	Yes
d16	Other	--

Honduras

Notes

- 1/ Exchange anchor.
 - 2/ 4 members (3 Directors and the Bank Manager). The COMA has an Ad hoc Secretary, with voice, but no vote (Technical Deputy Manager).

 - 3/ In the short term, however it varies according to the measure and instrument to be modified.
 - 4/ Annual, Monthly and in case of change.
 - 5/ Annually and as decided by the Board.
 - 6/ Annually and in case of change.
 - 7/ Limits to credit for each institution: only for Repo agreements (L1,500.0 millions, daily limits)
 - 8/ Daily forecast considers the current account initial balance of the commercial banks and the flow from different monetizing accounts: OMOs maturities, Forex market flows, Payments and collections made by the BCH, Flows in government accounts, withdrawals and deposits of bills and coins. In terms of structural liquidity, monthly target amount resulting from the difference between the BCH securities balance (observed in the just concluded month) and the balance (at the end of the month) estimated through financial programming.
- a. Averaging period is the span of time for reserves be maintained.
 - b. Delayed: the calculation period precedes the maintenance period $t_2^c < t_1^p$. Semi-delayed: the calculation period partially overlaps with the maintenance period $t_2^c > t_1^p$. Simultaneous: the end of the calculation and maintenance periods coincide $t_2^c = t_1^p$.
 - c. The calculation period refers to the period (days) considered for the calculation of the base to which the mandatory ratio applies

Mexico

Monetary policy framework

Section A

Main characteristics of the monetary policy framework

a1	Central bank mandate	Price stability
a2	Monetary regime	Inflation targeting
a3	Intermediate target	--
a4	Operational target	Short term interest rates
a5	Monetary policy instruments	Open Market Operations; Standing facilities; Monetary regulation deposits

Governance of the monetary policy framework

a6	Degree of autonomy of monetary policy	Independence of objectives and instruments of monetary policy
Committee responsible of monetary policy decisions		
a7	Committee name	Junta de Gobierno
a8	Organization	The committee responsible of monetary policy decisions and its functions are formally established
a9	Appointment of members	Appointed by the country President with a ratification of the Congress
a10	Committee composition	3-5 members
a11	Frequency of meetings	Eight times a year
a12	Decision-making	Members majority vote
Committee/area responsible of the implementation of the monetary policy decisions		
a13	Committee/area name	Central Bank Operations Division
a14	Time frame between the decisions are taken and effectively implemented	Immediately ^{1/}

Communication and transparency strategy of the monetary policy framework

a15	Monetary policy objective	Releases ^{2/}
a16	Implementation of the monetary policy strategy	Reports; Auctions calls and results ^{3/}
a17	Monetary framework	Reports ^{4/}
a18	Monetary policy instruments design	Releases ^{4/}
a19	Operations expected/observed effects	--
a20	Economic outlook	Reports ^{5/}
a21	Future potential monetary policy actions	Reports ^{6/}
a22	Monetary policy committee meeting minutes	Minutes ^{2/}
a23	Monetary policy committee voting results	Releases; Minutes ^{7/}
a24	Liquidity forecast	Releases ^{8/}
a25	Calendar of monetary policy meetings	Reports ^{6/}
a26	Calendar of open market operations	Releases ^{9/}
a27	Other	--

Mexico

Monetary policy instruments

Section B

Instruments of the central bank operations framework

b1	Open market operations	Loans with collateral; Purchase/sale of assets under a repurchase agreement (repo market); Purchase/sale of public assets with monetary policy purposes; Deposits
b2	Standing facilities	Deposit facilities; Credit facilities
b3	Reserve requirements	NA

Open market operations

b1.1	Loans with collateral	
	Functions	Interest rate buffer; Contribute to the achievement of monetary policy objectives; Liquidity management
	Initiation mode	Multilateral or bidding
	Bidding mode	Auction by interest rate
	Term or maturity of the operation	Between 1 and 25 days
	Collateral requirement	Yes
	Clearing and settlement	t; t+1; t+2
	Authorized institutions	Financial entities (e.g. banks)
b1.2	Purchase/sale of assets under a repurchase agreement (repo market)	
	Functions	Interest rate buffer; Contribute to the achievement of monetary policy objectives; Liquidity management
	Initiation mode	Multilateral or bidding
	Bidding mode	Auction by interest rate
	Term or maturity of the operation	Between 1 and 25 days (in average)
	Collateral requirement	Yes
	Clearing and settlement	t; t+1; t+2
	Authorized institutions	Financial entities (e.g. banks)
b1.3	Purchase/sale of public assets with monetary policy purposes	
	Functions	Interest rate buffer; Contribute to the achievement of monetary policy objectives; Liquidity management
	Initiation mode	Multilateral or bidding
	Bidding mode	Auction by interest rate
	Term or maturity of the operation	Between 6 months and 5 years
	Collateral requirement	No
	Clearing and settlement	t; t+1
	Authorized institutions	Financial entities (e.g. banks); Stock market; Investment companies; Investment companies specialized in pensions funds
b1.4	Deposits	
	Functions	Interest rate buffer; Contribute to the achievement of monetary policy objectives; Liquidity management
	Initiation mode	Multilateral or bidding
	Bidding mode	Auction by interest rate
	Term or maturity of the operation	Overnight
	Collateral requirement	No
	Clearing and settlement	t
	Authorized institutions	Financial entities (e.g. banks)

Standing facilities

b2.1	Deposit facilities	
	Functions	Adjustment function; Contribute to the achievement of monetary policy objectives
	Initiation mode	Bilateral or window
	Bidding mode	NA
	Term or maturity of the operation	Overnight
	Collateral requirement	No
	Clearing and settlement	t
	Authorized institutions	Financial entities (e.g. banks)
b2.2	Credit facilities	
	Functions	Adjustment function; Contribute to the achievement of monetary policy objectives
	Initiation mode	Bilateral or window
	Bidding mode	NA
	Term or maturity of the operation	Overnight
	Collateral requirement	Yes
	Clearing and settlement	t
	Authorized institutions	Financial entities (e.g. banks)

Mexico		
Other nontraditional instruments		
b4	Controls over credit and interest rates	Yes; limits for borrowing or deposit interest rate ^{10/}
b5	Restrictions	No
b6	Liquidity prudential measures	No
Collateral management framework: operational aspects and key features		
b7	Legal certainty	Yes
b8	Credit quality	Yes
b9	Market transparency and price availability	Yes
b10	Liquidity in the collateral market	Yes
b11	Cost of handling and settlement	NA
b12	Eligible assets	OMO: Central or federal government debt; deposits in pesos and USD constituted at the Central Bank
b13	Risk controls	Haircut; Price and margin calls
b14	Institutions that are eligible to collateralized credit facilities	Financial institutions
b15	Limits	NA

Liquidity management

Section C

Liquidity management and the central bank operations framework		
c1	Liquidity injection/withdrawal	Auction
c2	Approach	Liquid current account holdings; Liquidity analysis through the balance sheet (backward view); Provision and withdrawal of liquidity from credit institutions by OMOs (forward view)
Liquidity forecasts framework (1)		
c3	Forecast horizon	Forecasts of short-term (one day), medium-term (one-two months) and long-term (one-two calendar years) are estimated
c4	Averaged period	1 day
c5	Forecast range of time	1 day
c6	Forecast frequency	Biweekly for short and medium terms; Quarterly for long term
c7	Revision	For short and medium terms: intraday; for long term: quarterly
c8	Factor (autonomous or internal) with higher volatility	Federal government deposits
c9	Factor (autonomous and internal) with less data available	Short-term: bills and coins demand. Medium and long term: federal government deposits
c10	Publication	Yes, short-term forecast (one day) only
c11	Target balance	Yes, for short-term forecast, the objective is that the current accounts aggregate balance of the bank's end the day balanced, in the medium and long terms, the objective is that the net balance of the short-term OMOs be creditor for the Bank Central most of the time
c12	Factors considered by the central bank to forecast the financial system liquidity needs	Autonomous factors: Net demand of bills and coins, Central Bank exchange operations: the dollar purchases and sale to the banking system or the PEMEX exchange operations (state oil company) impact on liquidity, Federal government flows I/. Other: Internal factors: short-term OMOs (previously arranged) maturities; Placement and maturities of debt with monetary regulation purposes
c13	Liquidity forecast and the central bank's balance sheet	They almost always coincide ^{11/}
c14	Most frequent position of the central bank's balance sheet	Debtor ^{12/}
Liquidity forecasts framework (2)		
c15	Autoregressive models' method	Yes
c16	Time series based systematic modeling approach	--
c17	Reference periods (historical): behavior in the previous year	Yes
c18	Reference periods (historical): behavior of the same day/same date of the previous year	Yes
c19	Behavior in recent weeks	Yes
c20	Forecast errors-autocorrelation of errors	--
c21	Other	^{13/}

Mexico

Market characteristics and central banking operations implementation

Section D

Desirable market conditions for the implementation of central banking operations		
d1	Inflation targeting is high priority above other objectives	Yes
d2	Absence of fiscal dominance	Yes
d3	Central bank independence	Yes
d4	Significant control of the monetary policy instruments	Yes
d5	Adequate methodology for liquidity forecasts	Yes
d6	Well-developed government securities market	Yes
d7	Deep interbank market	Yes
d8	Institutions and financial markets that are resilient to fluctuations of the exchange rate and interest rate	Yes
d9	Other	--
Barriers for the implementation of monetary policy framework		
d10	Partial or total dollarization	No
d11	Limited capacity to diversify or deepen financial markets due to low demand for financial services	No
d12	The central bank must provide the government with liquidity whenever the government requires	No
d13	Excess structural liquidity	No
d14	Deficient monetary policy implementation	No
d15	Undeveloped financial system	No
d16	Other	--

Notes

1/ The monetary policy decisions are announced, usually, on Thursdays at 13:00. From that moment the OMOs are carry out with the target rate, so from the evening intervention of the monetary policy announcement day -18:00 hrs.- the new target rate is taken as a reference.

2/ 8 times a year according to calendar

3/ Daily, weekly, in case of a change and each time auctions are made depending on the type of auction and instrument.

4/ In case of change

5/ Quarterly.

6/ Annually

7/ 8 times a year according to calendar (without personal appointment, only number of members who vote in favor, against or in which direction).

8/ Daily, www.banxico.org.mx/portal-mercado-valores/informacion-oportuna/subasta-y-colocacion-de-valores/convocatorias/regulacion-monetaria/intervencionBM.pdf

9/ On a daily basis (liquidity auction and deposit); weekly (securities sell); <http://www.banxico.org.mx/stdview.html?url=/portal-mercado-valores/informacion-oportuna/subasta-y-colocacion-de-valores/convocatorias/regulacion-monetaria/subastas-de-liquidez/InforPrevia-Matutina.html>

10/ Minimum credit rate or maximum deposit for OMO liquidity and deposit operations, equivalent to the target rate established by the Governing Board.

11/ Short-term forecast is very accurate, since the only source of deviation corresponds to the bills and coins demand. The flow of the rest of the factors is known at least one day in advance.

12/ However, liquidity is managed in such a way that in net, the short-term OMOs (carried out daily) are liquidity provisions in such a way that the Banco de Mexico's aggregate balance is creditor from the point of view of the Central Bank. However, because the amount of long-term monetary regulation liabilities is greater than the net creditor balance of short-term liquidity provision operations, the structural position is as debtor.

13/ From a general approach (annual forecast) to a specific approach (monthly and daily) for each one of the factors.

a. Averaging period is the span of time for reserves be maintained.

b. Delayed: the calculation period precedes the maintenance period $t_2^c < t_1^p$. Semi-delayed: the calculation period partially overlaps with the maintenance period $t_2^c > t_1^p$. Simultaneous: the end of the calculation and maintenance periods coincide $t_2^c = t_1^p$.

c. The calculation period refers to the period (days) considered for the calculation of the base to which the mandatory ratio applies

Nicaragua

Monetary policy framework

Section A

Main characteristics of the monetary policy framework

a1	Central bank mandate	Price stability; Sound functioning of payment systems
a2	Monetary regime	Crawling peg
a3	Intermediate target	Exchange rate
a4	Operational target	Bank reserves
a5	Monetary policy instruments	Open Market Operations; Reserves requirement.

Governance of the monetary policy framework

a6	Degree of autonomy of monetary policy	Independence of objectives and instruments of monetary policy
Committee responsible of monetary policy decisions		
a7	Committee name	Comité de Operaciones de Mercado Abierto (COMA)
a8	Organization	The committee responsible of monetary policy decisions and its functions are formally established
a9	Appointment of members	Appointed by the Governor, Board or other internal governing bodies of the central bank
a10	Committee composition	3-5 members
a11	Frequency of meetings	Weekly
a12	Decision-making	Members majority vote
Committee/area responsible of the implementation of the monetary policy decisions		
a13	Committee/area name	Central Bank Operations Division
a14	Time frame between the decisions are taken and effectively implemented	Variable ^{1/}

Communication and transparency strategy of the monetary policy framework

a15	Monetary policy objective	Reports
a16	Implementation of the monetary policy strategy	Reports ^{2/}
a17	Monetary framework	Reports ^{2/}
a18	Monetary policy instruments design	Reports ^{2/}
a19	Operations expected/observed effects	Reports ^{2/}
a20	Economic outlook	Reports; Press conferences ^{2/}
a21	Future potential monetary policy actions	Reports ^{2/}
a22	Monetary policy committee meeting minutes	NA
a23	Monetary policy committee voting results	NA
a24	Liquidity forecast	NA
a25	Calendar of monetary policy meetings	NA
a26	Calendar of open market operations	Releases ^{3/}
a27	Other	--

Nicaragua

Monetary policy instruments

Section B

Instruments of the central bank operations framework

b1	Open market operations	Central bank bills; Legal reserve
b2	Standing facilities	Overnight; Repos operations; Financial assistance line; Extraordinary financial assistance line
b3	Reserve requirements	Legal reserves (daily); Legal reserves (biweekly)
Open market operations		
b1.1	Central bank bills	
	Functions	Liquidity management; Contribute to the achievement of monetary policy objectives
	Initiation mode	Bilateral or window
	Bidding mode	NA
	Term or maturity of the operation	7 days; 14 days; 1; 3; 6; 9 and 12 months
	Collateral requirement	No
	Clearing and settlement	Competitive mode: t+2, Non-competitive mode: t+1
	Authorized institutions	Competitive auctions: Financial entities (e.g. banks); Stock markets; Nicaraguan Social Security Institute Non-competitive: Natural or legal person except those investors that are participants in the competitive modality
b1.2	Legal reserve	
	Functions	--
	Initiation mode	Bilateral or window
	Bidding mode	NA
	Term or maturity of the operation	Daily
	Collateral requirement	No
	Clearing and settlement	NA
	Authorized institutions	--
Standing facilities		
b2.1	Overnight	
	Functions	NA
	Initiation mode	Bilateral or window
	Bidding mode	Authorized by the Financial Operations Manager
	Term or maturity of the operation	1 day
	Collateral requirement	Yes
	Clearing and settlement	NA
	Authorized institutions	Commercial banks
b2.2	Repos operations	
	Functions	NA
	Initiation mode	Bilateral or window
	Bidding mode	Authorized by the Finance and Securities Committee
	Term or maturity of the operation	7 days
	Collateral requirement	Yes
	Clearing and settlement	NA
	Authorized institutions	Banks and financial companies
b2.3	Financial assistance line	
	Functions	NA
	Initiation mode	Bilateral or window
	Bidding mode	Authorized by the Finance and Securities Committee
	Term or maturity of the operation	30 days
	Collateral requirement	Yes
	Clearing and settlement	NA
	Authorized institutions	Banks and financial companies
b2.4	Extraordinary financial assistance line	
	Functions	NA
	Initiation mode	Bilateral or window
	Bidding mode	Authorized by the Finance and Securities Committee
	Term or maturity of the operation	30 days
	Collateral requirement	Yes
	Clearing and settlement	NA
	Authorized institutions	Banks and financial companies

Nicaragua		
Other nontraditional instruments		
b4	Controls over credit and interest rates	No
b5	Restrictions	No
b6	Liquidity prudential measures	No
Features of the reserve requirements		
National currency reserve requirements		
b3.1.1	Current account deposits	
	Use for settlement	No
	Averaging period ^a	Daily
	Carry over	NA
	Calculation type ^b	Delayed
	Calculation period ^c	14 days
	Vault cash	NA
	Ratio	12% daily reserve, 15% biweekly reserve
	Remuneration	NA
	Remuneration to excess reserves	No
	Penalties	The highest rate charged by commercial banks and financial institutions for short-term credit operations in national currency during the fourteenth to which the day of the deficit belongs, plus one percent (1%), between three hundred and sixty (360) days, as a basis for calculation
	Settlement day	NA
b3.1.2	Saving accounts	
	Use for settlement	No
	Averaging period ^a	Daily
	Carry over	NA
	Calculation type ^b	Delayed
	Calculation period ^c	14 days
	Vault cash	NA
	Ratio	12% daily reserve, 15% biweekly reserve
	Remuneration	NA
	Remuneration to excess reserves	No
	Penalties	The highest rate charged by commercial banks and financial institutions for short-term credit operations in national currency during the fourteenth to which the day of the deficit belongs, plus one percent (1%), between three hundred and sixty (360) days, as a basis for calculation
	Settlement day	NA
b3.1.3	Time deposits or deposits certificates	
	Use for settlement	No
	Averaging period ^a	Daily
	Carry over	NA
	Calculation type ^b	Delayed
	Calculation period ^c	14 days
	Vault cash	NA
	Ratio	12% daily reserve, 15% biweekly reserve
	Remuneration	NA
	Remuneration to excess reserves	No
	Penalties	The highest rate charged by commercial banks and financial institutions for short-term credit operations in national currency during the fourteenth to which the day of the deficit belongs, plus one percent (1%), between three hundred and sixty (360) days, as a basis for calculation
	Settlement day	NA

Nicaragua		
Foreign currency reserve requirements		
b3.2.1	Current account deposits	
	Use for settlement	No
	Averaging period ^a	Daily
	Carry over	NA
	Calculation type ^b	Delayed
	Calculation period ^c	14 days
	Vault cash	NA
	Ratio	12% daily reserve, 15% biweekly reserve
	Remuneration	NA
	Remuneration to excess reserves	No
	Penalties	The highest rate charged by commercial banks and financial institutions for short-term credit operations in national currency during the fourteenth to which the day of the deficit belongs, plus one percent (1%), between three hundred and sixty (360) days, as a basis for calculation
	Settlement day	NA
b3.2.2	Saving accounts	
	Use for settlement	No
	Averaging period ^a	Daily
	Carry over	NA
	Calculation type ^b	Delayed
	Calculation period ^c	14 days
	Vault cash	NA
	Ratio	12% daily reserve, 15% biweekly reserve
	Remuneration	NA
	Remuneration to excess reserves	No
	Penalties	The highest rate charged by commercial banks and financial institutions for short-term credit operations in national currency during the fourteenth to which the day of the deficit belongs, plus one percent (1%), between three hundred and sixty (360) days, as a basis for calculation
	Settlement day	NA
b3.2.3	Time deposits or deposits certificates	
	Use for settlement	No
	Averaging period ^a	Daily
	Carry over	NA
	Calculation type ^b	Delayed
	Calculation period ^c	14 days
	Vault cash	NA
	Ratio	12% daily reserve, 15% biweekly reserve
	Remuneration	NA
	Remuneration to excess reserves	No
	Penalties	The highest rate charged by commercial banks and financial institutions for short-term credit operations in national currency during the fourteenth to which the day of the deficit belongs, plus one percent (1%), between three hundred and sixty (360) days, as a basis for calculation
	Settlement day	NA
Collateral management framework: operational aspects and key features		
b7	Legal certainty	Yes
b8	Credit quality	Yes
b9	Market transparency and price availability	Yes
b10	Liquidity in the collateral market	Yes
b11	Cost of handling and settlement	NA
b12	Eligible assets	Central or federal government debt; Bank loans
b13	Risk controls	Haircut; Limits to credit for each institution; Individual counterparties limits on the use of specific collaterals; Price and margin calls
b14	Institutions that are eligible to collateralized credit facilities	Financial institutions
b15	Limits	Individual counterparties credit limits

Nicaragua

Liquidity management

Section C

Liquidity management and the central bank operations framework

c1	Liquidity injection/withdrawal	Central bank makes its liquidity projections weekly and offers that amount to the market through an auction
c2	Approach	Provision and withdrawal of liquidity from credit institutions by OMOs (forward view)
Liquidity forecasts framework (1)		
c3	Forecast horizon	Five-yearly, annual, quarterly, monthly and weekly.
c4	Averaged period	1 month
c5	Forecast range of time	1 month
c6	Forecast frequency	Weekly
c7	Revision	Weekly
c8	Factor (autonomous or internal) with higher volatility	Foreign exchange (purchase/sale); Prevision of the central government transfers and use of resources
c9	Factor (autonomous and internal) with less data available	Transfers and uses of central bank resources; Currencies trading; Use of the net credit bank
c10	Publication	No
c11	Target balance	No
c12	Factors considered by the central bank to forecast the financial system liquidity needs	Banking liquidity seasonal components. Uses and transfers carried out by the government. Financial system foreign exchange demand. Central Bank bills. Compensation bonds payments (BPI). Nicaraguan Republic bonds redemptions. Money demand.
c13	Liquidity forecast and the central bank's balance sheet	They do not usually coincide.
c14	Most frequent position of the central bank's balance sheet	Debtor
Liquidity forecasts framework (2)		
c15	Autoregressive models' method	Yes
c16	Time series based systematic modeling approach	--
c17	Reference periods (historical): behavior in the previous year	Yes
c18	Reference periods (historical): behavior of the same day/same date of the previous year	Yes
c19	Behavior in recent weeks	Yes
c20	Forecast errors-autocorrelation of errors	--
c21	Other	--

Market characteristics and central banking operations implementation

Section D

Desirable market conditions for the implementation of central banking operations

d1	Inflation targeting is high priority above other objectives	Yes
d2	Absence of fiscal dominance	No
d3	Central bank independence	Yes
d4	Significant control of the monetary policy instruments	Yes
d5	Adequate methodology for liquidity forecasts	No
d6	Well-developed government securities market	No
d7	Deep interbank market	No
d8	Institutions and financial markets that are resilient to fluctuations of the exchange rate and interest rate	No
d9	Other	--

Barriers for the implementation of monetary policy framework

d10	Partial or total dollarization	Yes
d11	Limited capacity to diversify or deepen financial markets due to low demand for financial services	Yes
d12	The central bank must provide the government with liquidity whenever the government requires	No
d13	Excess structural liquidity	Yes
d14	Deficient monetary policy implementation	No
d15	Undeveloped financial system	Yes
d16	Other	--

Nicaragua

Notes

- 1/ The period granted for the implementation is T + 2 for the competitive auction. 26/ T + 1 for non-competitive auction. 27/ The decision implementation for auctions, is made 7 days after the COMA reunion.
- 2/ Annually.
- 3/ Quarterly.
- a. Averaging period is the span of time for reserves be maintained.
- b. Delayed: the calculation period precedes the maintenance period $t_2^c < t_1^p$. Semi-delayed: the calculation period partially overlaps with the maintenance period $t_2^c > t_1^p$. Simultaneous: the end of the calculation and maintenance periods coincide $t_2^c = t_1^p$.
- c. The calculation period refers to the period (days) considered for the calculation of the base to which the mandatory ratio applies

Paraguay

Monetary policy framework

Section A

Main characteristics of the monetary policy framework

a1	Central bank mandate	Price stability; Financial stability
a2	Monetary regime	Inflation targeting
a3	Intermediate target	NA
a4	Operational target	Short term interest rates
a5	Monetary policy instruments	Open Market Operations; Standing facilities

Governance of the monetary policy framework

a6	Degree of autonomy of monetary policy	Independence of objectives and instruments of monetary policy
Committee responsible of monetary policy decisions		
a7	Committee name	Comité Ejecutivo de Operaciones Monetarias (CEOMA)
a8	Organization	The committee responsible of monetary policy decisions and its functions are formally established
a9	Appointment of members	Appointed by the President and by the Board titular members
a10	Committee composition	6 - 8 members ^{1/}
a11	Frequency of meetings	Monthly ^{2/}
a12	Decision-making	Members majority vote
Committee/area responsible of the implementation of the monetary policy decisions		
a13	Committee/area name	Market Committee
a14	Time frame between the decisions are taken and effectively implemented	Next day ^{3/}

Communication and transparency strategy of the monetary policy framework

a15	Monetary policy objective	Reports; Releases
a16	Implementation of the monetary policy strategy	Reports; Releases ^{4/}
a17	Monetary framework	Minutes; Releases ^{5/}
a18	Monetary policy instruments design	Releases; Board resolutions ^{4/}
a19	Operations expected/observed effects	Reports ^{4/}
a20	Economic outlook	Reports ^{6/}
a21	Future potential monetary policy actions	--
a22	Monetary policy committee meeting minutes	Minutes ^{5/}
a23	Monetary policy committee voting results	Releases ^{5/}
a24	Liquidity forecast	NA
a25	Calendar of monetary policy meetings	Releases ^{7/}
a26	Calendar of open market operations	Releases ^{8/}
a27	Other	--

Paraguay

Monetary policy instruments

Section B

Instruments of the central bank operations framework

b1	Open market operations	Monetary regulation bills; Shor-term liquidity management - DEPOSIT; Short-term liquidity management - REPO
b2	Standing facilities	Intraday Liquidity Facility; Shor-term liquidity facility with repo; Anticipated cancellation; Permanent Deposit Facility; Standing liquidity facility
b3	Reserve requirements	NA

Open market operations

b1.1	Monetary regulation bills	
	Functions	Liquidity management; Contribute to the achievement of monetary policy objectives
	Initiation mode	Multilateral or bidding
	Bidding mode	Auction by interest rate
	Term or maturity of the operation	Monthly maturities with a maximum term of 1.5 years.
	Collateral requirement	No
	Clearing and settlement	t+2
	Authorized institutions	Financial entities (e.g. banks)
b1.2	Shor-term liquidity management - DEPOSIT	
	Functions	Interest rate buffer; Liquidity management; Contribute to the achievement of monetary policy objectives
	Initiation mode	Multilateral or bidding
	Bidding mode	Auction by interest rate
	Term or maturity of the operation	7 days
	Collateral requirement	No
	Clearing and settlement	t+0
	Authorized institutions	Financial entities (e.g. banks)
b1.3	Short-term liquidity management - REPO	
	Functions	Interest rate buffer; Liquidity management; Contribute to the achievement of monetary policy objectives
	Initiation mode	Multilateral or bidding
	Bidding mode	Auction by interest rate
	Term or maturity of the operation	To be define
	Collateral requirement	Yes
	Clearing and settlement	t+0
	Authorized institutions	Financial entities (e.g. banks)

Standing facilities

b2.1	Intraday Liquidity Facility	
	Functions	Liquidity management
	Initiation mode	Bilateral or window
	Bidding mode	--
	Term or maturity of the operation	Intraday
	Collateral requirement	Yes
	Clearing and settlement	t
	Authorized institutions	Financial entities (e.g. banks)
b2.2	Shor-term liquidity facility with repo	
	Functions	Liquidity management
	Initiation mode	Bilateral or window
	Bidding mode	--
	Term or maturity of the operation	1st tranche: 30 days; 2nd tranche: 60 days
	Collateral requirement	Yes
	Clearing and settlement	Various terms
	Authorized institutions	Financial entities (e.g. banks)
b2.3	Anticipated cancellation	
	Functions	Liquidity management
	Initiation mode	Bilateral or window
	Bidding mode	--
	Term or maturity of the operation	--
	Collateral requirement	--
	Clearing and settlement	--
	Authorized institutions	Financial entities (e.g. banks)

Paraguay		
b2.4	Permanent Deposit Facility	
	Functions	Interest rate buffer; Liquidity management; Contribute to the achievement of monetary policy objectives
	Initiation mode	Bilateral or window
	Bidding mode	--
	Term or maturity of the operation	Overnight
	Collateral requirement	No
	Clearing and settlement	t+0
	Authorized institutions	Financial entities (e.g. banks)
b2.5	Standing liquidity facility	
	Functions	Interest rate buffer; Liquidity management
	Initiation mode	Bilateral or window
	Bidding mode	--
	Term or maturity of the operation	1 day
	Collateral requirement	Yes
	Clearing and settlement	t
	Authorized institutions	Financial entities (e.g. banks)
Other nontraditional instruments		
b4	Controls over credit and interest rates	Yes
b5	Restrictions	Yes
b6	Liquidity prudential measures	There is no specific regulated measure as a mitigating liquidity risk, however there are standards requirements ^{9/}
Features of the reserve requirements		
National currency reserve requirements		
b3.1.1	Current account deposits	
	Use for settlement	No
	Averaging period ^a	> 15 days
	Carry over	NA
	Calculation type ^b	Delayed
	Calculation period ^c	> 15 days
	Vault cash	Cash minimum requirement ^{10/}
	Ratio	18%
	Remuneration	Average of the minimum legal reserve maintained during the month to be remunerated and the proportion exceeding 7%.
	Remuneration to excess reserves	No
	Penalties	They will not be able to apply funds to the Permanent Deposit Facility (FPD) for a period of 30 calendar days and must maintain 100% of the balance of the Minimum Required Legal Reserve for a period of six months.
	Settlement day	First business day of the month
b3.1.2	Saving accounts	
	Use for settlement	No
	Averaging period ^a	> 15 days
	Carry over	NA
	Calculation type ^b	Delayed
	Calculation period ^c	> 15 days
	Vault cash	Cash minimum requirement ^{10/}
	Ratio	18%
	Remuneration	Average of the minimum legal reserve maintained during the month to be remunerated and the proportion exceeding 7%.
	Remuneration to excess reserves	No
	Penalties	They will not be able to apply funds to the Permanent Deposit Facility (FPD) for a period of 30 calendar days and must maintain 100% of the balance of the Minimum Required Legal Reserve for a period of six months.
	Settlement day	First business day of the month

Paraguay		
b3.1.3	Time deposits or deposits certificates	
	Use for settlement	No
	Averaging period ^a	> 15 days
	Carry over	NA
	Calculation type ^b	Delayed
	Calculation period ^c	> 15 days
	Vault cash	Cash minimum requirement ^{10/}
	Ratio	Up to 360 days: 18%
	Remuneration	Average of the minimum legal reserve maintained during the month to be remunerated and the proportion exceeding 7%.
	Remuneration to excess reserves	No
	Penalties	They will not be able to apply funds to the Permanent Deposit Facility (FPD) for a period of 30 calendar days and must maintain 100% of the balance of the Minimum Required Legal Reserve for a period of six months.
	Settlement day	First business day of the month
Foreign currency reserve requirements		
b3.2.1	Current account deposits	
	Use for settlement	No
	Averaging period ^a	> 15 days
	Carry over	NA
	Calculation type ^b	Delayed
	Calculation period ^c	> 15 days
	Vault cash	Cash minimum requirement ^{10/}
	Ratio	Up to 360 days: 24%; From 361 to 540 days: 16,5%
	Remuneration	Average of the minimum legal reserve maintained during the month to be remunerated and the proportion exceeding 10%
	Remuneration to excess reserves	No
	Penalties	They will not be able to apply funds to the Permanent Deposit Facility (FPD) for a period of 30 calendar days and must maintain 100% of the balance of the Minimum Required Legal Reserve for a period of six months
	Settlement day	First business day of the month
b3.2.2	Saving accounts	
	Use for settlement	No
	Averaging period ^a	> 15 days
	Carry over	NA
	Calculation type ^b	Delayed
	Calculation period ^c	> 15 days
	Vault cash	Cash minimum requirement ^{10/}
	Ratio	Up to 360 days: 24%; From 361 to 540 days: 16,5%
	Remuneration	Average of the minimum legal reserve maintained during the month to be remunerated and the proportion exceeding 10%
	Remuneration to excess reserves	No
	Penalties	They will not be able to apply funds to the Permanent Deposit Facility (FPD) for a period of 30 calendar days and must maintain 100% of the balance of the Minimum Required Legal Reserve for a period of six months
	Settlement day	First business day of the month
b3.2.3	Time deposits or deposits certificates	
	Use for settlement	No
	Averaging period ^a	> 15 days
	Carry over	NA
	Calculation type ^b	Delayed
	Calculation period ^c	> 15 days
	Vault cash	Cash minimum requirement ^{10/}
	Ratio	Up to 360 days: 24%; From 361 to 540 days: 16,5%
	Remuneration	Average of the minimum legal reserve maintained during the month to be remunerated and the proportion exceeding 10%
	Remuneration to excess reserves	No
	Penalties	They will not be able to apply funds to the Permanent Deposit Facility (FPD) for a period of 30 calendar days and must maintain 100% of the balance of the Minimum Required Legal Reserve for a period of six months
	Settlement day	First business day of the month

Paraguay

Collateral management framework: operational aspects and key features

b7	Legal certainty	Yes
b8	Credit quality	Yes
b9	Market transparency and price availability	Yes
b10	Liquidity in the collateral market	Yes
b11	Cost of handling and settlement	NA
b12	Eligible assets	Central or federal government debt
b13	Risk controls	Haircut
b14	Institutions that are eligible to collateralized credit facilities	Financial institutions
b15	Limits	NA

Liquidity management

Section C

Liquidity management and the central bank operations framework

c1	Liquidity injection/withdrawal	LRM; Liquidity windows (FLI; FLIR; LRM anticipated cancellation; Fine tuning operation; average legal reserve)
c2	Approach	Liquid current account holdings; Provision and withdrawal of liquidity from credit institutions by OMOs (forward view)

Liquidity forecasts framework (1)

c3	Forecast horizon	1 - 4 days
c4	Averaged period	1 day
c5	Forecast range of time	1 day
c6	Forecast frequency	1 day
c7	Revision	Daily
c8	Factor (autonomous or internal) with higher volatility	Government net balances
c9	Factor (autonomous and internal) with less data available	--
c10	Publication	No
c11	Target balance	No
c12	Factors considered by the central bank to forecast the financial system liquidity needs	Autonomous factors: Cash in circulation, use of the legal reserve account, government net balances. Internal factors: Initial balances at settlement accounts, OMOs maturities and short-term loans, Forex transactions (national currency). ^{11/}
c13	Liquidity forecast and the central bank's balance sheet	The balances that usually coincide. ^{12/}
c14	Most frequent position of the central bank's balance sheet	Debtor

Liquidity forecasts framework (2)

c15	Autoregressive models' method	--
c16	Time series based systematic modeling approach	--
c17	Reference periods (historical): behavior in the previous year	Yes
c18	Reference periods (historical): behavior of the same day/same date of the previous year	Yes
c19	Behavior in recent weeks	Yes
c20	Forecast errors-autocorrelation of errors	--
c21	Other	--

Paraguay

Market characteristics and central banking operations implementation

Section D

Desirable market conditions for the implementation of central banking operations

d1	Inflation targeting is high priority above other objectives	Yes
d2	Absence of fiscal dominance	No
d3	Central bank independence	Yes
d4	Significant control of the monetary policy instruments	Yes
d5	Adequate methodology for liquidity forecasts	Yes
d6	Well-developed government securities market	Yes
d7	Deep interbank market	Yes
d8	Institutions and financial markets that are resilient to fluctuations of the exchange rate and interest rate	Yes
d9	Other	--

Barriers for the implementation of monetary policy framework

d10	Partial or total dollarization	No
d11	Limited capacity to diversify or deepen financial markets due to low demand for financial services	No
d12	The central bank must provide the government with liquidity whenever the government requires	Yes
d13	Excess structural liquidity	No
d14	Deficient monetary policy implementation	No
d15	Undeveloped financial system	No
d16	Other	--

Notes

- 1/ The CEOMA is composed of: a) Chairman and the Directors of the Board of Directors of the Central Bank of Paraguay, all of whom shall have the right to speak and vote. The CEOMA will be chaired by the President or the Acting President of the BCP. If necessary, it will be chaired by one of the Directors of the Institution designated by their peers, at the beginning of each meeting. b) Chief Economist, c) Superintendent of Bank, and d) Market Manager.
- 2/ According to article No. 4 of Resolution No. 14, Act No. 87 dated December 10, 2014: The CEOMA will meet at least once a month and will inform in advance through the Bank's website, the dates on which your ordinary meetings will be held. The CEOMA may also meet in an extraordinary or special way.
- 3/ The time frame between the monetary policy committee decisions and its implementation is T+1. The announcement is published at 17:00 hrs., therefore, the new Standing Facilities rates begin to apply the following day.
- 4/ Published in case of a change.
- 5/ Monthly
- 6/ Quarterly.
- 7/ Annually
- 8/ Monthly and biannually.
- 9/ Since there are still no regulated limits in relation to liquidity measures there is no incidence of monetary policy, however, if a measure is implemented, it would be reviewed if there is an impact.
- 10/ 100% of the last month average.
- 11/ Economic models used are those of historical reference to forecast the flows of government expenditures on an annual basis. For income, behavior of the last weeks is used. In general terms, it should be easier to forecast expenditure than income, since it is more dependent on official decisions due to income depends on individual behavior and calendar of tax payment deadlines, however in our country we do not have a scheme of disbursements that order payments with predictability in at least t + 1 or t + 2 depending on the levels of expenditure that may be determined by the Ministry of Finance.
- 12/ Although daily liquidity analysis is not based on a formal central bank balance sheet scheme, all the elements that are incorporated are contemplated in the same. The forecast basically focuses on the availability of the banks' balance at the end of the day, which ends up being placed in standing facilities of 1-day deposits (up to the allowed limit) and a small remainder in settlement accounts (current accounts at zero rate).
 - a. Averaging period is the span of time for reserves be maintained.
 - b. Delayed: the calculation period precedes the maintenance period $t_2^c < t_1^p$. Semi-delayed: the calculation period partially overlaps with the
 - c. The calculation period refers to the period (days) considered for the calculation of the base to which the mandatory ratio applies

Perú

Monetary policy framework

Section A

Main characteristics of the monetary policy framework

a1	Central bank mandate	Price stability
a2	Monetary regime	Inflation targeting
a3	Intermediate target	Inflation expectation
a4	Operational target	Short term interest rate
a5	Monetary policy instruments	Open Market Operations; Reserves requirement

Governance of the monetary policy framework

a6	Degree of autonomy of monetary policy	Independence of objectives and instruments of monetary policy
Committee responsible of monetary policy decisions		
a7	Committee name	Directorio
a8	Organization	The committee main functions are other ^{1/}
a9	Appointment of members	^{2/}
a10	Committee composition	6 - 8 members
a11	Frequency of meetings	Weekly ^{3/}
a12	Decision-making	Consensus
Committee/area responsible of the implementation of the monetary policy decisions		
a13	Committee/area name	Exchange and Monetary Operations Committee
a14	Time frame between the decisions are taken and effectively implemented	Immediately

Communication and transparency strategy of the monetary policy framework

a15	Monetary policy objective	Releases ^{4/}
a16	Implementation of the monetary policy strategy	Releases ^{4/}
a17	Monetary framework	Releases ^{5/}
a18	Monetary policy instruments design	--
a19	Operations expected/observed effects	--
a20	Economic outlook	Reports ^{6/}
a21	Future potential monetary policy actions	--
a22	Monetary policy committee meeting minutes	--
a23	Monetary policy committee voting results	--
a24	Liquidity forecast	--
a25	Calendar of monetary policy meetings	Releases
a26	Calendar of open market operations	Releases
a27	Other	--

Perú

Monetary policy instruments

Section B

Instruments of the central bank operations framework

b1	Open market operations	Term deposit; Deposits certificates (CD BCRP); Variable-rate deposits certificates (CDV BCRP); Readjustable deposits certificates (CDR BCRP); Securities repo operations MN; Currency repo operations MN; Public entities term deposits; Credit portfolio repo operations represented in securities; Preferential participation certificates repo operations
b2	Standing facilities	Overnight deposits; Window repo operations; Monetary regulation credit
b3	Reserve requirements	Reserve requirements (Legal reserves)
Open market operations		
b1.1	Term deposit	
	Functions	Liquidity management; Contribute to the achievement of monetary policy objectives
	Initiation mode	Multilateral or bidding; Bilateral or window
	Bidding mode	Multiple price
	Term or maturity of the operation	1 - 30 days
	Collateral requirement	No
	Clearing and settlement	t
	Authorized institutions	Financial entities (e.g. banks); COFIDE: (development bank) and others determined by the BCRP
b1.2	Deposits certificates	
	Functions	Liquidity management; Monetary control; Contribute to the achievement of monetary policy objectives; Signaling
	Initiation mode	Multilateral or bidding; Bilateral or window
	Bidding mode	Multiple price
	Term or maturity of the operation	1 - 18 months
	Collateral requirement	No
	Clearing and settlement	t
	Authorized institutions	Banks (banks, financial entities); Stock markets; Investment companies; Investment companies specialized in pensions funds; Financial public entities; Insurance companies; Deposit insurance fund and others determined by the BCRP
b1.3	Variable-rate deposits certificates	
	Functions	Liquidity management; Contribute to the achievement of monetary policy objectives; Signaling
	Initiation mode	Multilateral or bidding; Bilateral or window
	Bidding mode	Multiple price
	Term or maturity of the operation	3 - 12 months
	Collateral requirement	No
	Clearing and settlement	t
	Authorized institutions	Financial entities (e.g. banks); others determined by the BCRP
b1.4	Readjustable deposits certificates	
	Functions	Exchange intervention
	Initiation mode	Multilateral or bidding; Bilateral or window
	Bidding mode	Multiple price
	Term or maturity of the operation	1 - 12 months
	Collateral requirement	No
	Clearing and settlement	t
	Authorized institutions	Banks; Investment companies; Investment companies specialized in pensions funds; Insurance companies; COFIDE
b1.5	Securities repo operations MN	
	Functions	Liquidity management; Contribute to the achievement of monetary policy objectives
	Initiation mode	Multilateral or bidding; Bilateral or window
	Bidding mode	Precio Multiple
	Term or maturity of the operation	1 day – 3 years
	Collateral requirement	Yes
	Clearing and settlement	t
	Authorized institutions	Financial entities (e.g. banks); Investment companies; Investment companies specialized in pensions funds

Perú		
b1.6	Currency repo operations MN	
	Functions	Liquidity management; Monetary control; Manejo prudencial
	Initiation mode	Multilateral or bidding; Bilateral or window
	Bidding mode	Multiple price
	Term or maturity of the operation	6 months - 5 years
	Collateral requirement	Yes
	Clearing and settlement	t
	Authorized institutions	Financial entities (e.g. banks); others determined by the BCRP
b1.7	Public entities term deposits	
	Functions	--
	Initiation mode	Multilateral or bidding; Bilateral or window
	Bidding mode	Multiple price
	Term or maturity of the operation	3 – 12 months
	Collateral requirement	No
	Clearing and settlement	t
	Authorized institutions	Financial entities (e.g. banks); others determined by the BCRP
b1.8	Credit portfolio repo operations represented in securities	
	Functions	Liquidity management
	Initiation mode	Multilateral or bidding; Bilateral or window
	Bidding mode	Multiple price
	Term or maturity of the operation	Not used
	Collateral requirement	Yes
	Clearing and settlement	t
	Authorized institutions	Financial entities (e.g. banks)
b1.9	Preferential participation certificates repo operations	
	Functions	Liquidity management
	Initiation mode	Multilateral or bidding; Bilateral or window
	Bidding mode	Multiple price
	Term or maturity of the operation	Not used
	Collateral requirement	Yes
	Clearing and settlement	t
	Authorized institutions	Financial entities (e.g. banks)
Standing facilities		
b2.1	Overnight deposits	
	Functions	Interest rate buffer; Contribute to the achievement of monetary policy objectives; Liquidity management
	Initiation mode	Bilateral or window
	Bidding mode	--
	Term or maturity of the operation	Overnight
	Collateral requirement	No
	Clearing and settlement	t
	Authorized institutions	Financial entities (e.g. banks); others determined by the BCRP
b2.2	Window repo operations	
	Functions	Interest rate buffer; Contribute to the achievement of monetary policy objectives; Liquidity management
	Initiation mode	Bilateral or window
	Bidding mode	--
	Term or maturity of the operation	Overnight
	Collateral requirement	Yes
	Clearing and settlement	t
	Authorized institutions	Financial entities (e.g. banks); Investment banks
b2.3	Monetary regulation credit	
	Functions	Interest rate buffer; Contribute to the achievement of monetary policy objectives; Liquidity management
	Initiation mode	Bilateral or window
	Bidding mode	--
	Term or maturity of the operation	Overnight
	Collateral requirement	Yes
	Clearing and settlement	t
	Authorized institutions	Financial entities (e.g. banks)
Other nontraditional instruments		
b4	Controls over credit and interest rates	Yes, additional reserve if the foreign currency loan portfolio exceeds a limit ^{7/}
b5	Restrictions	No
b6	Liquidity prudential measures	No
b4.1	Other	Yes, additional reserve foreign exchange derivatives sales exceeds a weekly and monthly limit. Additional reserve if the exchange derivatives sales exceeds a limit ^{8/}

Perú

Features of the reserve requirements

National currency reserve requirements		
b3.1.1	Current account deposits	
	Use for settlement	Yes
	Averaging period ^a	> 15 days
	Carry over	NA
	Calculation type ^b	> 15 days
	Calculation period ^c	> 15 days
	Vault cash	There is a minimum requirement for current account deposits in the BCRP ^{9/}
	Ratio	5%
	Remuneration	Minimum legal reserve obligations are not remunerated ^{10/}
	Remuneration to excess reserves	Yes
	Penalties	On the legal reserve deficit, a coefficient of 1.5 times the average active interest rate of the national currency market is applied
	Settlement day	NA
b3.1.2	Saving accounts	
	Use for settlement	Yes
	Averaging period ^a	> 15 days
	Carry over	NA
	Calculation type ^b	> 15 days
	Calculation period ^c	> 15 days
	Vault cash	There is a minimum requirement for current account deposits in the BCRP ^{9/}
	Ratio	5%
	Remuneration	Minimum legal reserve obligations are not remunerated ^{10/}
	Remuneration to excess reserves	Yes
	Penalties	On the legal reserve deficit, a coefficient of 1.5 times the average active interest rate of the national currency market is applied
	Settlement day	NA
b3.1.3	Time deposits or deposits certificates	
	Use for settlement	Yes
	Averaging period ^a	> 15 days
	Carry over	NA
	Calculation type ^b	> 15 days
	Calculation period ^c	> 15 days
	Vault cash	There is a minimum requirement for current account deposits in the BCRP ^{9/}
	Ratio	5%
	Remuneration	Minimum legal reserve obligations are not remunerated ^{10/}
	Remuneration to excess reserves	Yes
	Penalties	On the legal reserve deficit, a coefficient of 1.5 times the average active interest rate of the national currency market is applied
	Settlement day	NA
Foreign currency reserve requirements		
b3.2.1	Current account deposits	
	Use for settlement	Yes
	Averaging period ^a	> 15 days
	Carry over	NA
	Calculation type ^b	> 15 days
	Calculation period ^c	> 15 days
	Vault cash	There is a minimum requirement for current account deposits in the BCRP ^{9/}
	Ratio	Required reserves up to a total amount equal to current on the based date, are subject to the rate used in that month (base rate). For the excess reserves a marginal rate of 44% is used
	Remuneration	Minimum legal reserve obligations are not remunerated. The excess reserves are remunerated at 1/4 of the 1-month LIBOR rate, as long as it has been maintained in BCRP current account
	Remuneration to excess reserves	Yes
	Penalties	On the legal reserve deficit, a coefficient of 1.5 times the average active interest rate of the foreign currency market is applied
	Settlement day	NA

Perú		
b3.2.2	Saving accounts	
	Use for settlement	Yes
	Averaging period ^a	> 15 days
	Carry over	NA
	Calculation type ^b	> 15 days
	Calculation period ^c	> 15 days
	Vault cash	There is a minimum requirement for current account deposits in the BCRP ^{9/}
	Ratio	Required reserves up to a total amount equal to current on the based date, are subject to the rate used in that month (base rate). For the excess reserves a marginal rate of 44% is used
	Remuneration	Minimum legal reserve obligations are not remunerated. The excess reserves are remunerated at 1/4 of the 1-month LIBOR rate, as long as it has been maintained in BCRP current account
	Remuneration to excess reserves	Yes
	Penalties	On the legal reserve deficit, a coefficient of 1.5 times the average active interest rate of the foreign currency market is applied
	Settlement day	NA
b3.2.3	Time deposits or deposits certificates	
	Use for settlement	Yes
	Averaging period ^a	> 15 days
	Carry over	NA
	Calculation type ^b	> 15 days
	Calculation period ^c	> 15 days
	Vault cash	There is a minimum requirement for current account deposits in the BCRP ^{9/}
	Ratio	Required reserves up to a total amount equal to current on the based date, are subject to the rate used in that month (base rate). For the excess reserves a marginal rate of 44% is used
	Remuneration	Minimum legal reserve obligations are not remunerated. The excess reserves are remunerated at 1/4 of the 1-month LIBOR rate, as long as it has been maintained in BCRP current account
	Remuneration to excess reserves	Yes
	Penalties	On the legal reserve deficit, a coefficient of 1.5 times the average active interest rate of the foreign currency market is applied
	Settlement day	NA
Collateral management framework: operational aspects and key features		
b7	Legal certainty	Yes
b8	Credit quality	Yes
b9	Market transparency and price availability	Yes
b10	Liquidity in the collateral market	Yes
b11	Cost of handling and settlement	Yes
b12	Eligible assets	Central or federal government debt; Corporate bonds; Bank loans; Other (not indicated).
b13	Risk controls	Haircut; Price and margin calls
b14	Institutions that are eligible to collateralized credit facilities	Financial institutions
b15	Limits	NA

Perú

Liquidity management

Section C

Liquidity management and the central bank operations framework

c1	Liquidity injection/withdrawal	One rate and one auction; Auction
c2	Approach	Liquid current account holdings; Liquidity analysis through the balance sheet (backward view); Provision and withdrawal of liquidity from credit institutions by OMOs (forward view)
Liquidity forecasts framework (1)		
c3	Forecast horizon	1-4 days; 1 month
c4	Averaged period	1 month
c5	Forecast range of time	1 day
c6	Forecast frequency	Daily; at the end of the month
c7	Revision	Intraday; daily
c8	Factor (autonomous or internal) with higher volatility	Fiscal sterilization (Banking system liquidity withdrawals by the Government)
c9	Factor (autonomous and internal) with less data available	Fiscal sterilization
c10	Publication	No
c11	Target balance	No
c12	Factors considered by the central bank to forecast the financial system liquidity needs	Autonomous factors: Fiscal sterilization, cash preference, forex operations. Internal factors: reserves requirements, monetary instruments maturities.
c13	Liquidity forecast and the central bank's balance sheet	They almost always coincide ^{11/}
c14	Most frequent position of the central bank's balance sheet	In the last 3 years the central bank has shown a small creditor position ^{12/}
Liquidity forecasts framework (2)		
c15	Autoregressive models' method	Yes
c16	Time series based systematic modeling approach	Yes
c17	Reference periods (historical): behavior in the previous year	Yes
c18	Reference periods (historical): behavior of the same day/same date of the previous year	Yes
c19	Behavior in recent weeks	Yes
c20	Forecast errors-autocorrelation of errors	Yes
c21	Other	Surveys to banks regarding their daily liquidity demand

Market characteristics and central banking operations implementation

Section D

Desirable market conditions for the implementation of central banking operations

d1	Inflation targeting is high priority above other objectives	Yes
d2	Absence of fiscal dominance	Yes
d3	Central bank independence	Yes
d4	Significant control of the monetary policy instruments	Yes
d5	Adequate methodology for liquidity forecasts	Yes
d6	Well-developed government securities market	No
d7	Deep interbank market	No
d8	Institutions and financial markets that are resilient to fluctuations of the exchange rate and interest rate	No
d9	Other	--

Barriers for the implementation of monetary policy framework

d10	Partial or total dollarization	Yes
d11	Limited capacity to diversify or deepen financial markets due to low demand for financial services	Yes
d12	The central bank must provide the government with liquidity whenever the government requires	No
d13	Excess structural liquidity	No
d14	Deficient monetary policy implementation	No
d15	Undeveloped financial system	No
d16	Other	--

Perú

Notes

- 1/ The Board fulfills the functions of the monetary policy committee.
- 2/ Four are appointed by the President of the Republic and three by the Congress
- 3/ The Board meets weekly, but for monetary policy decision making once a month.
- 4/ Monthly publication
- 5/ Daily publication.
- 6/ Quarterly
- 7/ Measure to reduce credit dollarization.
- 8/ Measure to reduce bets against the national currency.
- 9/ 1% on national currency and 3% on foreign currency). Excess reserves may be covered with vault cash.
- 10/ Excess reserves are remunerated at the reference rate minus 320 basis points, as long as it has been maintained in BCRP current account.

- 11/ Central Bank liquidity projection tends to be quite accurate and only under unusual and unpredictable events that affect liquidity in a way not foreseen by the Central Bank, which does not always coincide
- 12/ In times of high capital inflows its position has been debtor to the banks due to exchange instruments sterilization. With the Treasury, its position has been debtor due to the accumulation of fiscal savings as deposits at the Central Bank.
 - a. Averaging period is the span of time for reserves be maintained.
 - b. Delayed: the calculation period precedes the maintenance period $t_2^c < t_1^p$. Semi-delayed: the calculation period partially overlaps with the maintenance period $t_2^c > t_1^p$. Simultaneous: the end of the calculation and maintenance periods coincide $t_2^c = t_1^p$.
 - c. The calculation period refers to the period (days) considered for the calculation of the base to which the mandatory ratio applies

Dominican Republic

Monetary policy framework

Section A

Main characteristics of the monetary policy framework

a1	Central bank mandate	Price stability
a2	Monetary regime	Inflation targeting
a3	Intermediate target	Inflation expectations
a4	Operational target	Short term interest rate
a5	Monetary policy instruments	Open Market Operations; Standing facilities; Reserves requirement

Governance of the monetary policy framework

a6	Degree of autonomy of monetary policy	Independence of objectives and instruments of monetary policy
Committee responsible of monetary policy decisions		
a7	Committee name	Comité de Mercado Abierto
a8	Organization	The committee responsible of monetary policy decisions and its functions are formally established
a9	Appointment of members	Appointed by the Governor, Board or other internal governing bodies of the central bank
a10	Committee composition	6 - 8 members
a11	Frequency of meetings	Monthly
a12	Decision-making	Members majority vote
Committee/area responsible of the implementation of the monetary policy decisions		
a13	Committee/area name	Open Market Committee
a14	Time frame between the decisions are taken and effectively implemented	Next business day ^{1/}

Communication and transparency strategy of the monetary policy framework

a15	Monetary policy objective	Reports; Releases; Monetary Board resolutions ^{2/}
a16	Implementation of the monetary policy strategy	Reports; Releases ^{3/}
a17	Monetary framework	Reports ^{2/}
a18	Monetary policy instruments design	Resolutions, Regulation and Instructive ^{4/}
a19	Operations expected/observed effects	Reports; Releases ^{5/}
a20	Economic outlook	Reports; Releases ^{6/}
a21	Future potential monetary policy actions	No
a22	Monetary policy committee meeting minutes	Releases
a23	Monetary policy committee voting results	No
a24	Liquidity forecast	No
a25	Calendar of monetary policy meetings	It is published on the Central Bank website ^{7/}
a26	Calendar of open market operations	Short-term auctions calendar ^{8/}
a27	Other	All OMO statistics are published on the Central Bank website ^{9/}

Dominican Republic

Monetary policy instruments

Section B

Instruments of the central bank operations framework

b1	Open market operations	BCRD issued securities with periodic coupons; BCRD issued securities - zero-coupon
b2	Standing facilities	Remunerated deposit; Repos
b3	Reserve requirements	NA

Open market operations

b1.1	BCRD issued securities with periodic coupons	
	Functions	Liquidity management; Contribute to the achievement of monetary policy objectives
	Initiation mode	Multilateral or bidding; Bilateral or window
	Bidding mode	Auction by volume
	Term or maturity of the operation	3, 5 y 7 years
	Collateral requirement	No
	Clearing and settlement	t+2 o t+3
	Authorized institutions	Financial entities (e.g. banks); Stock market; Investment companies; Investment companies specialized in pensions funds; Institutional investors

b1.2	BCRD issued securities - zero-coupon	
	Functions	Liquidity management; Contribute to the achievement of monetary policy objectives
	Initiation mode	Multilateral or bidding; Bilateral or window
	Bidding mode	Auction by volume
	Term or maturity of the operation	1 day up to 12 months
	Collateral requirement	No
	Clearing and settlement	t y t+2
	Authorized institutions	Financial entities (e.g. banks); Stock market; Investment companies; Investment companies specialized in pensions funds; Institutional investors

Standing facilities

b2.1	Remunerated deposit	
	Functions	Liquidity management
	Initiation mode	Bilateral or window
	Bidding mode	--
	Term or maturity of the operation	1 day
	Collateral requirement	--
	Clearing and settlement	t
	Authorized institutions	Financial entities (e.g. banks)

b2.2	Repos	
	Functions	Liquidity management
	Initiation mode	Bilateral or window
	Bidding mode	--
	Term or maturity of the operation	1 day
	Collateral requirement	Yes
	Clearing and settlement	t
	Authorized institutions	Financial entities (e.g. banks)

Other nontraditional instruments

b4	Controls over credit and interest rates	No
b5	Restrictions	Yes, Minimum capital requirements; Centralization products limits; Counterparties centralization limits ^{10/}
b6	Liquidity prudential measures	Yes, Liquidity coverage ratio ^{11/}

Dominican Republic

Features of the reserve requirements

National currency reserve requirements		
b3.1.1	Current account deposits	
	Use for settlement	Yes
	Averaging period ^a	No average period
	Carry over	Target range
	Calculation type ^b	Semi-delayed
	Calculation period ^c	Between 1-7 days
	Vault cash	No requirement for vault cash
	Ratio	Multiple banks: 12.2%. Other entities: 8.1%
	Remuneration	0%
	Remuneration to excess reserves	Excess reserves in foreign currency are remunerated at a maximum rate of up to 0.75%
	Penalties	1/10 of the 1% of the deficit
	Settlement day	Daily
b3.1.2	Saving accounts	
	Use for settlement	Yes
	Averaging period ^a	No average period
	Carry over	Target range
	Calculation type ^b	Semi-delayed
	Calculation period ^c	Between 1-7 days
	Vault cash	No requirement for vault cash
	Ratio	Multiple banks: 12.2%. Other entities: 8.1%
	Remuneration	0%
	Remuneration to excess reserves	Excess reserves in foreign currency are remunerated at a maximum rate of up to 0.75%
	Penalties	1/10 of the 1% of the deficit
	Settlement day	Daily
b3.1.3	Time deposits or deposits certificates	
	Use for settlement	Yes
	Averaging period ^a	No average period
	Carry over	Target range
	Calculation type ^b	Semi-delayed
	Calculation period ^c	Between 1-7 days
	Vault cash	No requirement for vault cash
	Ratio	Multiple banks: 12.2%. Other entities: 8.1%
	Remuneration	0%
	Remuneration to excess reserves	Excess reserves in foreign currency are remunerated at a maximum rate of up to 0.75%
	Penalties	1/10 of the 1% of the deficit
	Settlement day	Daily
Foreign currency reserve requirements		
b3.2.1	Current account deposits	
	Use for settlement	Yes
	Averaging period ^a	No average period
	Carry over	Target range
	Calculation type ^b	Semi-delayed
	Calculation period ^c	Between 1-7 days
	Vault cash	No requirement for vault cash
	Ratio	Multiple banks: 20% Other entities: NA
	Remuneration	0%
	Remuneration to excess reserves	Excess reserves in foreign currency are remunerated at a maximum rate of up to 0.75%
	Penalties	1/10 of the 1% of the deficit
	Settlement day	Daily
b3.2.2	Saving accounts	
	Use for settlement	Yes
	Averaging period ^a	No average period
	Carry over	Target range
	Calculation type ^b	Semi-delayed
	Calculation period ^c	Between 1-7 days
	Vault cash	No requirement for vault cash
	Ratio	Multiple banks: 20% Other entities: NA
	Remuneration	0%
	Remuneration to excess reserves	Excess reserves in foreign currency are remunerated at a maximum rate of up to 0.75%
	Penalties	1/10 of the 1% of the deficit
	Settlement day	Daily

Dominican Republic		
b3.2.3	Time deposits or deposits certificates	
	Use for settlement	Yes
	Averaging period ^a	No average period
	Carry over	Target range
	Calculation type ^b	Semi-delayed
	Calculation period ^c	Between 1-7 days
	Vault cash	No requirement for vault cash
	Ratio	Multiple banks: 20% Other entities: NA
	Remuneration	0%
	Remuneration to excess reserves	Excess reserves in foreign currency are remunerated at a maximum rate of up to 0.75%
	Penalties	1/10 of the 1% of the deficit
	Settlement day	Daily

Collateral management framework: operational aspects and key features

b7	Legal certainty	Yes
b8	Credit quality	Yes
b9	Market transparency and price availability	Yes
b10	Liquidity in the collateral market	Yes
b11	Cost of handling and settlement	NA
b12	Eligible assets	Central or federal government debt
b13	Risk controls	Haircut; Limits to credit for each institution
b14	Institutions that are eligible to collateralized credit facilities	Financial institutions
b15	Limits	Individual counterparties credit limits

Liquidity management

Section C

Liquidity management and the central bank operations framework

c1	Liquidity injection/withdrawal	Two rates; Auction
c2	Approach	Liquid current account holdings; Provision and withdrawal of liquidity from credit institutions by OMOs (forward view); Liquidity provision based only on demand of commercial banks

Liquidity forecasts framework (1)

c3	Forecast horizon	1 month
c4	Averaged period	--
c5	Forecast range of time	1 day
c6	Forecast frequency	Daily
c7	Revision	Daily
c8	Factor (autonomous or internal) with higher volatility	Government payments
c9	Factor (autonomous and internal) with less data available	Government payments
c10	Publication	No
c11	Target balance	No
c12	Factors considered by the central bank to forecast the financial system liquidity needs	OMOs (maturities, placements and interest payments), forex operations, central government operations, banknotes deposits and withdrawals from financial intermediation institutions, among others
c13	Liquidity forecast and the central bank's balance sheet	Almost always coincide
c14	Most frequent position of the central bank's balance sheet	The Central Bank presents a debtor position, carrying out contraction auctions

Liquidity forecasts framework (2)

c15	Autoregressive models' method	Yes
c16	Time series based systematic modeling approach	Yes
c17	Reference periods (historical): behavior in the previous year	--
c18	Reference periods (historical): behavior of the same day/same date of the previous year	Yes
c19	Behavior in recent weeks	Yes
c20	Forecast errors-autocorrelation of errors	--
c21	Other	--

Dominican Republic

Market characteristics and central banking operations implementation

Section D

Desirable market conditions for the implementation of central banking operations		
d1	Inflation targeting is high priority above other objectives	Yes
d2	Absence of fiscal dominance	Yes
d3	Central bank independence	Yes
d4	Significant control of the monetary policy instruments	Yes
d5	Adequate methodology for liquidity forecasts	Yes
d6	Well-developed government securities market	Yes
d7	Deep interbank market	No
d8	Institutions and financial markets that are resilient to fluctuations of the exchange rate and interest rate	Yes
d9	Other	Yes
Barriers for the implementation of monetary policy framework		
d10	Partial or total dollarization	No
d11	Limited capacity to diversify or deepen financial markets due to low demand for financial services	No
d12	The central bank must provide the government with liquidity whenever the government requires	No
d13	Excess structural liquidity	Yes
d14	Deficient monetary policy implementation	No
d15	Undeveloped financial system	No
d16	Other	--

Notes

- 1/ The monetary policy decisions regarding the interest rate are announced to the public through a press release at the end of the day on which the Monetary Policy Meeting is held, generally on the last working day of the month and the first working of the following month.
- 2/ Annual.
- 3/ Monthly and biannual.
- 4/ In case of change
- 5/ Monthly.
- 6/ Monthly, biannual, annual.
- 7/ Quarterly.
- 8/ Short-term, quarterly or annual central Bank securities.
- 9/ Daily.
- 10/ Minimum capital requirements: Minimum capital is required to open financial entities, according to the carry out activities: a) for multiple banks, RD \$ 275.0 million (US \$ 5.8 million) is required; for savings and credit banks RD \$ 55.0 million (US \$ 1.2 million); for credit corporations RD \$ 15.0 million (US \$ 0.315 million); and for savings and loan associations RD \$ 17.0 million (US \$ 0.357 million). Likewise, by law a solvency ratio of 10% is required (technical assets / assets weighted by risks). Centralization products limits: There is a rule that limits the amount that financial entities can grant to non-currency generating clients. Counterparties centralization limits: There is a counterpart limit of up to 10% of the technical equity for loans without guarantees and up to 20% with a guarantee. In addition, there are limits to transactions with linked parties.
- 11/ There is a liquidity risk regulation that requires certain liquidity ratios: for 15 and 30 days a ratio of 80% is required and for 60 and 90 days a ratio of 70%.
 - a. Averaging period is the span of time for reserves be maintained.
 - b. Delayed: the calculation period precedes the maintenance period $t_2^c < t_1^p$. Semi-delayed: the calculation period partially overlaps with the maintenance period $t_2^c > t_1^p$. Simultaneous: the end of the calculation and maintenance periods coincide $t_2^c = t_1^p$.
 - c. The calculation period refers to the period (days) considered for the calculation of the base to which the mandatory ratio applies

Trinidad and Tobago

Monetary policy framework

Section A

Main characteristics of the monetary policy framework

a1	Central bank mandate	To maintain monetary stability, control and protect the external value of the monetary unit, administer external monetary reserves and encourage domestic production, trade and employment
a2	Monetary regime	Floating exchange rate
a3	Intermediate target	Exchange rate stability
a4	Operational target	Repo rate
a5	Monetary policy instruments	Open Market Operations; Reserve Requirement; Special liquidity facilities; Repo Rate; etc.

Governance of the monetary policy framework

a6	Degree of autonomy of monetary policy	--
Committee responsible of monetary policy decisions		
a7	Committee name	--
a8	Organization	The committee responsible of monetary policy decisions and its functions are formally established
a9	Appointment of members	Appointed by the country President
a10	Committee composition	3 - 5 members
a11	Frequency of meetings	Weekly
a12	Decision-making	Members majority vote
Committee/area responsible of the implementation of the monetary policy decisions		
a13	Committee/area name	--
a14	Time frame between the decisions are taken and effectively implemented	The MPC usually convenes on a Monday and the Monetary Policy Announcement (Press Release) which communicates

Communication and transparency strategy of the monetary policy framework

a15	Monetary policy objective	Press Releases, Publications
a16	Implementation of the monetary policy strategy	Press Releases ^{1/}
a17	Monetary framework	Publications ^{2/}
a18	Monetary policy instruments design	Press Releases, Publications
a19	Operations expected/observed effects	Publications ^{3/}
a20	Economic outlook	Press Releases, Publications ^{4/}
a21	Future potential monetary policy actions	No
a22	Monetary policy committee meeting minutes	No
a23	Monetary policy committee voting results	No
a24	Liquidity forecast	No
a25	Calendar of monetary policy meetings	Web page ^{5/}
a26	Calendar of open market operations	No
a27	Other	--

Trinidad and Tobago

Monetary policy instruments

Section B

Instruments of the central bank operations framework

b1	Open market operations	Treasury Bills/Notes; Repurchase Agreement (overnight); Special Fixed Deposits
b2	Standing facilities	NA
b3	Reserve requirements	Current account deposits

Open market operations

b1.1	Treasury Bills/Notes	
	Functions	Liquidity management; Monetary control; Contribute to the achievement of monetary policy objectives
	Initiation mode	Multilateral or bidding
	Bidding mode	Auction by interest rate
	Term or maturity of the operation	Treasury Bills – up to 365 days; Treasury Notes – from 1 to 5 years.
	Collateral requirement	No
	Clearing and settlement	t
	Authorized institutions	Financial entities (e.g. banks)
b1.2	Repurchase Agreement (overnight)	
	Functions	Liquidity management
	Initiation mode	--
	Bidding mode	--
	Term or maturity of the operation	Overnight in most cases, otherwise specified and agreed upon by CBTT and borrower
	Collateral requirement	Yes
	Clearing and settlement	t
	Authorized institutions	Financial entities (e.g. banks)
b1.3	Special Fixed Deposits	
	Functions	Liquidity management; Contribute to the achievement of monetary policy objectives
	Initiation mode	--
	Bidding mode	--
	Term or maturity of the operation	Determined by CBTT based on level of excess system liquidity
	Collateral requirement	No
	Clearing and settlement	t
	Authorized institutions	Financial entities (e.g. banks)

Other nontraditional instruments

b4	Controls over credit and interest rates	No
b5	Restrictions	No
b6	Liquidity prudential measures	No

Trinidad and Tobago

Features of the reserve requirements

National currency reserve requirements		
b3.1.1	Current account deposits	
	Use for settlement	Yes
	Averaging period ^a	Between 1 to 7 days
	Carry over	Target range
	Calculation type ^b	Delayed
	Calculation period ^c	> 15 days
	Vault cash	No requirement for vault cash
	Ratio	17% -Commercial banks; 9% - Nonbank Financial Institutions
	Remuneration	NA
	Remuneration to excess reserves	Yes
	Penalties	0.1% per day
	Settlement day	Wednesday
b3.1.2	Saving accounts	
	Use for settlement	Yes
	Averaging period ^a	Between 1 to 7 days
	Carry over	Target range
	Calculation type ^b	Delayed
	Calculation period ^c	> 15 days
	Vault cash	No requirement for vault cash
	Ratio	17% -Commercial banks; 9% - Nonbank Financial Institutions
	Remuneration	NA
	Remuneration to excess reserves	Yes
	Penalties	0.1% per day
	Settlement day	Wednesday
b3.1.3	Time deposits or deposits certificates	
	Use for settlement	Yes
	Averaging period ^a	Between 1 to 7 days
	Carry over	Target range
	Calculation type ^b	Delayed
	Calculation period ^c	> 15 days
	Vault cash	No requirement for vault cash
	Ratio	17% -Commercial banks; 9% - Nonbank Financial Institutions
	Remuneration	NA
	Remuneration to excess reserves	Yes
	Penalties	0.1% per day
	Settlement day	Wednesday

Collateral management framework: operational aspects and key features

b7	Legal certainty	Yes
b8	Credit quality	Yes
b9	Market transparency and price availability	Yes
b10	Liquidity in the collateral market	Yes
b11	Cost of handling and settlement	Yes
b12	Eligible assets	Central or federal government debt
b13	Risk controls	Haircut; Limits to credit for each institution
b14	Institutions that are eligible to collateralized credit facilities	Financial institutions
b15	Limits	NA

Trinidad and Tobago

Liquidity management

Section C

Liquidity management and the central bank operations framework		
c1	Liquidity injection/withdrawal	Auction
c2	Approach	Provision and withdrawal of liquidity from credit institutions by OMOs (forward view)
Liquidity forecasts framework (1)		
c3	Forecast horizon	Two months
c4	Averaged period	--
c5	Forecast range of time	--
c6	Forecast frequency	--
c7	Revision	Bi-monthly
c8	Factor (autonomous or internal) with higher volatility	--
c9	Factor (autonomous and internal) with less data available	--
c10	Publication	No
c11	Target balance	Yes
c12	Factors considered by the central bank to forecast the financial system liquidity needs	Anticipation of Government financing arrangements; public offerings on the domestic stock exchange; periods of Government salary back-pay.
c13	Liquidity forecast and the central bank's balance sheet	--
c14	Most frequent position of the central bank's balance sheet	Debtor
Liquidity forecasts framework (2)		
c15	Autoregressive models' method	--
c16	Time series based systematic modeling approach	--
c17	Reference periods (historical): behavior in the previous year	Yes
c18	Reference periods (historical): behavior of the same day/same date of the previous year	Yes
c19	Behavior in recent weeks	Yes
c20	Forecast errors-autocorrelation of errors	--
c21	Other	Qualitative information, e.g. government bonds issuance.

Market characteristics and central banking operations implementation

Section D

Desirable market conditions for the implementation of central banking operations		
d1	Inflation targeting is high priority above other objectives	--
d2	Absence of fiscal dominance	--
d3	Central bank independence	--
d4	Significant control of the monetary policy instruments	--
d5	Adequate methodology for liquidity forecasts	--
d6	Well-developed government securities market	--
d7	Deep interbank market	--
d8	Institutions and financial markets that are resilient to fluctuations of the exchange rate and interest rate	--
d9	Other	--
Barriers for the implementation of monetary policy framework		
d10	Partial or total dollarization	--
d11	Limited capacity to diversify or deepen financial markets due to low demand for financial services	--
d12	The central bank must provide the government with liquidity whenever the government requires	--
d13	Excess structural liquidity	--
d14	Deficient monetary policy implementation	--
d15	Undeveloped financial system	--
d16	Other	--

Trinidad and Tobago

Notes

- 1/ Bi-monthly
 - 2/ In case of a change
 - 3/ Annual and biannual
 - 4/ Bi-Monthly, Semi Annual, Annual
 - 5/ Annual
- a. Averaging period is the span of time for reserves be maintained.
 - b. Delayed: the calculation period precedes the maintenance period $t_2^c < t_1^p$. Semi-delayed: the calculation period partially overlaps with the maintenance period $t_2^c > t_1^p$. Simultaneous: the end of the calculation and maintenance periods coincide $t_2^c = t_1^p$.
 - c. The calculation period refers to the period (days) considered for the calculation of the base to which the mandatory ratio applies

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Monetary policy framework

Section A

Main characteristics of the monetary policy framework

a1	Central bank mandate	Price stability; Financial stability; Sound functioning of payment systems; Long-term economic growth
a2	Monetary regime	Inflation targeting
a3	Intermediate target	Inflation expectations
a4	Operational target	Monetary base
a5	Monetary policy instruments	Open Market Operations; Reserves requirement

Governance of the monetary policy framework

a6	Degree of autonomy of monetary policy	Independence of instruments, but not of monetary policy objectives
Committee responsible of monetary policy decisions		
a7	Committee name	Comité de Política Monetaria ^{1/}
a8	Organization	The committee responsible of monetary policy decisions and its functions are formally established
a9	Appointment of members	By the Organic Law are the three members of the Board and three members appointed by them
a10	Committee composition	6 - 8 members
a11	Frequency of meetings	Quarterly
a12	Decision-making	The decisions are made by the Board
Committee/area responsible of the implementation of the monetary policy decisions		
a13	Committee/area name	Market and Economic Policy Management
a14	Time frame between the decisions are taken and effectively implemented	Immediately

Communication and transparency strategy of the monetary policy framework

a15	Monetary policy objective	Releases ^{2/}
a16	Implementation of the monetary policy strategy	Reports ^{2/}
a17	Monetary framework	Releases ^{3/}
a18	Monetary policy instruments design	Releases ^{3/}
a19	Operations expected/observed effects	Reports ^{2/}
a20	Economic outlook	Reports ^{2/}
a21	Future potential monetary policy actions	Releases ^{2/}
a22	Monetary policy committee meeting minutes	No
a23	Monetary policy committee voting results	No
a24	Liquidity forecast	No
a25	Calendar of monetary policy meetings	Releases ^{2/}
a26	Calendar of open market operations	Website announcement ^{4/}
a27	Other	The reference of monetary policy is announced ^{5/}

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Monetary policy instruments

Section B

Instruments of the central bank operations framework

b1	Open market operations	Regulation monetary bills; Call PG
b2	Standing facilities	Deposits; Credit (Lombarda)
b3	Reserve requirements	NA

Open market operations

b1.1	Regulation monetary bills ^{6/}	
	Functions	Monetary control; Contribute to the achievement of monetary policy objectives
	Initiation mode	Multilateral or bidding
	Bidding mode	Auction by interest rate
	Term or maturity of the operation	30, 90, 180 and 365 days
	Collateral requirement	No
	Clearing and settlement	30, 90 and 180: t, 365: t+1.
	Authorized institutions	Financial entities (e.g. banks); Stock markets; Investment companies; Investment companies specialized in pensions funds
b1.2	Call PG	
	Functions	Liquidity management
	Initiation mode	Multilateral or bidding
	Bidding mode	Auction by interest rate
	Term or maturity of the operation	Between 7 and 28 days
	Collateral requirement	Yes
	Clearing and settlement	t
	Authorized institutions	Financial entities (e.g. banks)

Standing facilities

b2.1	Deposits	
	Functions	Adjustment function
	Initiation mode	Bilateral or window
	Bidding mode	After hours, available to financial institutions
	Term or maturity of the operation	1 day
	Collateral requirement	No
	Clearing and settlement	t
	Authorized institutions	NA
b2.2	Credit (Lombarda)	
	Functions	Adjustment function
	Initiation mode	Bilateral or window
	Bidding mode	On schedule and after hours
	Term or maturity of the operation	1 day
	Collateral requirement	No
	Clearing and settlement	t
	Authorized institutions	NA

Other nontraditional instruments

b4	Controls over credit and interest rates	No
b5	Restrictions	Yes, they, generally, are limits that not generate restrictions
b6	Liquidity prudential measures	Yes, liquidity coverage ratio

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Features of the reserve requirements

National currency reserve requirements

b3.1.1	Current account deposits	
	Use for settlement	No
	Averaging period ^a	> 15 days
	Carry over	Target range
	Calculation type ^b	Simultaneous
	Calculation period ^c	> 15 days
	Vault cash	Cash minimum requirement
	Ratio	28%
	Remuneration	5%
	Remuneration to excess reserves	No
	Penalties	A fine of 5 per thousand of the deficit is applied in the month. However, the minimum fine is 40,000 IU (indexed units)
	Settlement day	--
b3.1.2	Saving accounts	
	Use for settlement	No
	Averaging period ^a	> 15 days
	Carry over	Target range
	Calculation type ^b	Simultaneous
	Calculation period ^c	> 15 days
	Vault cash	Cash minimum requirement
	Ratio	28%
	Remuneration	5%
	Remuneration to excess reserves	No
	Penalties	--
	Settlement day	--
b3.1.3	Time deposits or deposits certificates	
	Use for settlement	No
	Averaging period ^a	> 15 days
	Carry over	Target range
	Calculation type ^b	Simultaneous
	Calculation period ^c	> 15 days
	Vault cash	Cash minimum requirement
	Ratio	Between 14% and 6% according to the term
	Remuneration	5%
	Remuneration to excess reserves	No
	Penalties	--
	Settlement day	--

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Foreign currency reserve requirements		
b3.2.1	Current account deposits	
	Use for settlement	No
	Averaging period ^a	> 15 days
	Carry over	Target range
	Calculation type ^b	Simultaneous
	Calculation period ^c	> 15 days
	Vault cash	Cash minimum requirement
	Ratio	28%
	Remuneration	Monetary Policy Rate-30pbs
	Remuneration to excess reserves	No
	Penalties	--
	Settlement day	--
b3.2.2	Saving accounts	
	Use for settlement	No
	Averaging period ^a	> 15 days
	Carry over	Target range
	Calculation type ^b	Simultaneous
	Calculation period ^c	> 15 days
	Vault cash	Cash minimum requirement
	Ratio	28%
	Remuneration	Monetary Policy Rate-30pbs
	Remuneration to excess reserves	No
	Penalties	--
	Settlement day	--
b3.2.3	Time deposits or deposits certificates	
	Use for settlement	No
	Averaging period ^a	> 15 days
	Carry over	Target range
	Calculation type ^b	Simultaneous
	Calculation period ^c	> 15 days
	Vault cash	Cash minimum requirement
	Ratio	28% up to 180-days term and 20% on longer terms
	Remuneration	Monetary Policy Rate-30pbs
	Remuneration to excess reserves	No
	Penalties	--
	Settlement day	--
Collateral management framework: operational aspects and key features		
b7	Legal certainty	Yes
b8	Credit quality	Yes
b9	Market transparency and price availability	--
b10	Liquidity in the collateral market	Yes
b11	Cost of handling and settlement	NA
b12	Eligible assets	Central or federal government debt; BCU issued securities
b13	Risk controls	Haircut
b14	Institutions that are eligible to collateralized credit facilities	Government
b15	Limits	Individual counterparties credit limits

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Liquidity management

Section C

Liquidity management and the central bank operations framework

c1	Liquidity injection/withdrawal	Two rates: are penalty rates; Non-systematic facilities are offered, those are auctioned by rate when liquidity management is necessary
c2	Approach	Liquid current account holdings; Liquidity analysis through the balance sheet (backward view); Provision and withdrawal of liquidity from credit institutions by OMOs (forward view)

Liquidity forecasts framework (1)

c3	Forecast horizon	3 months on a daily basis and 24 months on a monthly basis
c4	Averaged period	1 month
c5	Forecast range of time	1 day
c6	Forecast frequency	Daily
c7	Revision	Daily
c8	Factor (autonomous or internal) with higher volatility	Currency purchase-sale policy, fiscal result
c9	Factor (autonomous and internal) with less data available	Currency purchase-sale policy, fiscal result
c10	Publication	No
c11	Target balance	No
c12	Factors considered by the central bank to forecast the financial system liquidity needs	Financial system funds flows, Reserve requirements and institutions behavior regarding the management of these, institutions behavior regarding management of excess liquidity, notes maturities, fiscal cycle, pressures in the foreign exchange market
c13	Liquidity forecast and the central bank's balance sheet	They always coincide
c14	Most frequent position of the central bank's balance sheet	Debtor

Liquidity forecasts framework (2)

c15	Autoregressive models' method	--
c16	Time series based systematic modeling approach	Yes
c17	Reference periods (historical): behavior in the previous year	Yes
c18	Reference periods (historical): behavior of the same day/same date of the previous year	Yes
c19	Behavior in recent weeks	--
c20	Forecast errors-autocorrelation of errors	--
c21	Other	--

Market characteristics and central banking operations implementation

Section D

Desirable market conditions for the implementation of central banking operations

d1	Inflation targeting is high priority above other objectives	--
d2	Absence of fiscal dominance	--
d3	Central bank independence	--
d4	Significant control of the monetary policy instruments	--
d5	Adequate methodology for liquidity forecasts	--
d6	Well-developed government securities market	Yes
d7	Deep interbank market	No
d8	Institutions and financial markets that are resilient to fluctuations of the exchange rate and interest rate	Yes
d9	Other	--

Barriers for the implementation of monetary policy framework

d10	Partial or total dollarization	--
d11	Limited capacity to diversify or deepen financial markets due to low demand for financial services	--
d12	The central bank must provide the government with liquidity whenever the government requires	No
d13	Excess structural liquidity	--
d14	Deficient monetary policy implementation	No
d15	Undeveloped financial system	Yes
d16	Other	--

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Notes

- 1/ It has an advisory nature, the decisions are taken by the board of directors (article 31, Organic Law) http://www.bcu.gub.uy/Acerca-de-BCU/Normativa/Documents/Carta-Organica/carta_organica_toco.pdf.
- 2/ Quarterly.
- 3/ In case of a change.
- 4/ Biannual
- 5/ (M1 next quarter growth) and this variable's evolution is reported daily.
- 6/ visit the link: <http://www.bcu.gub.uy/Circulares/seggci2256.pdf>
 - a. Averaging period is the span of time for reserves be maintained.
 - b. Delayed: the calculation period precedes the maintenance period $t_2^c < t_1^p$. Semi-delayed: the calculation period partially overlaps with the maintenance period $t_2^c > t_1^p$. Simultaneous: the end of the calculation and maintenance periods coincide $t_2^c = t_1^p$.
 - c. The calculation period refers to the period (days) considered for the calculation of the base to which the mandatory ratio applies