

MONETARY POLICY INSTRUMENTS AND MEASURES

INSTRUMENT	DIRECTION	MAIN CHARACTERISTICS	INTEREST RATE	FREQUENCY	COLLATERAL	MATURITY
KEY POLICY RATE		Set by the NBS Executive Board and applied by the NBS in implementing main open market operations.	3.00%	In line with the meeting calendar of NBS Executive board	-	-
REQUIRED RESERVES	Withdrawal	<p>Measure for regulating the general level of banking sector liquidity (withdrawal of excess liquidity). The foreign currency base also includes foreign currency clause-indexed dinar liabilities. Statutory depositing of required reserves with the NBS by applying:</p> <ul style="list-style-type: none"> - 5% on dinar liabilities with maturity up to 2 years, 0% on dinar liabilities with maturity over 2 years, - 20% on foreign currency liabilities with maturity up to 2 years, 13% on foreign currency liabilities with maturity over 2 years, except on foreign currency clause-indexed dinar liabilities (100% for all maturities). <p>38% of RR calculated on FX liabilities with maturity of up to 2 years is allocated in dinars, and 30% of RR calculated on FX liabilities with maturity over 2 years is allocated in dinars.</p>	<ul style="list-style-type: none"> - 1.25% on dinar assets - 0% on foreign currency assets 	Daily – possibility of averaging the calculated required reserves during the maintenance period (from the 18th of the current month to the 17th of the next month).	None	Standing obligation
OPEN MARKET OPERATIONS	Withdrawal	Main operation, a reverse repo transaction - repo sell of securities, plays the most important role in achieving the OMO objectives; a standard auction, at the previously set calendar.	Key policy rate	Regular auctions – on Wednesdays	NBS dinar securities without foreign currency clause	1 W
	Withdrawal and Creation	Longer maturity operations, creation/withdrawal of liquidity in the longer run; a standard auction.	-	-	NBS, RS and IFI dinar securities without foreign currency clause	-
	Withdrawal and Creation	Fine-tuning liquidity operations, prevention/mitigation of sudden disturbances of liquidity, quick auction, conducted the same day when the decision on organising an auction is adopted.	-	-		-
STANDING FACILITIES						
DEPOSIT FACILITIES	Withdrawal	Measure which allows banks to deposit excess liquidity with the NBS.	1.75% (key policy rate – 1.25 p.p.)	Daily	None	Overnight facility
LENDING FACILITIES (LIQUIDITY LOANS)	Creation	A single credit line for maintaining bank liquidity against the collateral of securities, as follows:		<i>Ad hoc</i>	NBS, RS and IFI dinar securities without foreign currency clause	Overnight facility
		- on intraday loan	0%			
		- on overnight (O/N) loans	4.25% (key policy rate + 1.25 p.p.)			