

Pursuant to Article 14, paragraph 1, item 2 and paragraph 3, and Article 41, paragraphs 2 and 4 of the Law on the National Bank of Serbia (RS Official Gazette, Nos 72/2003, 55/2004, 85/2005 – other law, 44/2010, 76/2012, 106/2012, 14/2015, 40/2015 – Constitutional Court decision and 44/2018), the Executive Board of the National Bank of Serbia hereby issues

DECISION
ON INTEREST RATES APPLIED BY THE NATIONAL BANK OF SERBIA
IN THE IMPLEMENTATION OF MONETARY POLICY

1. This Decision sets out the level of interest rates applicable in the implementation of monetary policy and charged by the National Bank of Serbia on credits, other lending, and other claims of the National Bank of Serbia (hereinafter: NBS lending), as well as the level of interest rates paid on bank deposits with the National Bank of Serbia.

2. In setting the level of interest rates applied in the implementation of monetary policy, the National Bank of Serbia shall be guided by the level of the National Bank of Serbia's key policy rate (hereinafter: key policy rate).

3. The National Bank of Serbia shall charge and pay interest by applying interest rates set herein unless stipulated otherwise by other regulations.

4. The National Bank of Serbia shall charge interest on:

1) the amount of overnight loan used within the meaning of the decision specifying terms and conditions for extending daily liquidity loans against a collateral of securities by applying interest rate equal to the key policy rate plus 1.00 percentage point;

2) the amount of credits and other lending that have not been repaid within the agreed or prescribed period, and/or that are used contrary to regulations – at interest rates determined by the law regulating the default interest;

3) on the amount of difference between the calculated amount and actual average daily balance of allocated dinar required reserves in the maintenance period i.e. from the 18th of the current month until the 17th of the next month (hereinafter: maintenance period), and on the amount of difference between the prescribed and calculated dinar required reserves in the maintenance period – by applying interest rate equal to the key policy rate plus 5 percentage points;

4) on the amount of difference between the calculated amount and actual average daily balance of allocated foreign currency required reserves

in the maintenance period, and on the amount of difference between the prescribed and calculated foreign currency required reserves in the maintenance period – by applying interest rate equal to the three-month EURIBOR applicable on the date of interest calculation, plus 5 percentage points;

5) on the amount of difference between the actual average daily balance of allocated foreign currency required reserves and the calculated amount of foreign currency required reserves in the maintenance period (allocated foreign currency required reserves in excess of the calculated amount) – by applying the interest rate equal to the three-month EURIBOR applicable on the date of interest calculation, plus 5 percentage points.

5. The National Bank of Serbia shall pay interest on:

1) the amount of actual average daily balance of allocated dinar required reserves in the maintenance period which does not exceed the amount of calculated dinar required reserves – by applying the interest rate of 0.50% p.a.;

2) the amount of funds deposited by a bank with the National Bank of Serbia in accordance with the decision governing the conditions and manner of depositing excess liquidity with the National Bank of Serbia – by applying the interest rate equal to the key policy rate less 1.00 percentage point.

Notwithstanding paragraph 1, item 1) of this Section, and with a view to mitigating the economic consequences of the COVID-19 pandemic, the National Bank of Serbia shall pay interest on the amount of the actual average daily balance of allocated dinar required reserves in the maintenance period which does not exceed the amount of calculated dinar required reserves – by applying the interest rate defined in that item plus 0.50 percentage points p.a.

The amount to which the interest rate defined in paragraph 2 of this Section applies shall be determined at the level of the average daily balance of dinar loans that meet the conditions defined by the regulation on the guarantee scheme as a measure of support to the economy aimed at mitigating the consequences of the COVID-19 pandemic caused by the SARS-CoV-2 virus, if every individual dinar loan included in that balance is approved at an interest rate at least 0.50 percentage points lower than the maximum interest rate prescribed by the said regulation for loans in dinars.

The average daily balance of dinar loans referred to in paragraph 3 of this Section shall be determined for the calendar month prior to the month in which the National Bank of Serbia pays interest on the amount of the actual

average daily balance of allocated dinar required reserves in the maintenance period.

6. Interest rates referred to herein shall be shown in percentage terms, with two decimal places.

7. As of the effective date hereof, the Decision on Interest Rates Applied by the National Bank of Serbia in the Implementation of Monetary Policy (RS Official Gazette, Nos 45/2011, 98/2012, 125/2014, 42/2015, 61/2015, 86/2015, 93/2015, 11/2016, 61/2016, 20/2018 and 28/2018) shall cease to be valid.

8. This Decision shall be published on the website of the National Bank of Serbia and shall take effect on 18 August 2019.

NBS EB 56
8 August 2019
Belgrade

Chairperson
of the NBS Executive Board
Governor
National Bank of Serbia

Dr Jorgovanka Tabaković, sign.