Banco de la República reinforces measures to ensure liquidity in the economy in pesos and US dollars

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The Board of Directors of Banco de la República, in an extraordinary session today with guest attendance of the Financial Superintendent, adopted measures to reinforce those taken in previous days to ensure liquidity in the economy in both pesos and US dollars and in financial markets in order to facilitate the flow of adequate credit resources and the proper operation of the payments system.

The measures to strengthen the liquidity in pesos are the following:

- To extend the group of institutions with access to auctions and to the liquidity window of the Central Bank with public debt instruments, by including pension and severance funds managers in both proprietary positions and managed funds.
- To authorize insurance companies to participate in the auctions of repos with both public debt instruments (and at the liquidity window) and private debt instruments.
- To extend access to funds managed through trusts, stock brokers, and investment management companies to repo auctions and to the window with public debt instruments (in addition to the repo auctions with private debt instruments).
- To extend the maturities of liquidity operations (REPOS) with private debt instruments to 90 days. Until today, the maximum maturity had been 30 days. At the same time, to extend the maturities of liquidity operations (REPOS) with public debt instruments to 60 days. Recently, the maturity had been one day. These measures ensure liquidity of the economy in pesos to a horizon greater than at present.
- The total allotment for liquidity operations (REPOS) with government and private debt instruments is increased from $20 trillion (t) to $23.5 t. To date, $12.3 t have been placed through these facilities.

Measure to strengthen liquidity in US dollars:
US$400 million of swaps in US dollars (FX Swaps) will be auctioned for, in which the Central Bank will sell dollars in cash and will buy them in futures (at 60 days). This measure provides temporary liquidity in US dollars to a large group of institutions including not only traditional intermediaries in the foreign exchange market, but also pension and severance fund managers in both proprietary position and managed funds, with the purpose of alleviating pressures in the foreign exchange market.

[VIDEO] the Governor of the Central Bank of Colombia speaks about recent decisions made by the Board of Directors.
Juan Jose Echavarría talks about the decisions reached for the operation of the financial system and the payments system in Colombia. Liquidity to the economy.

Press Conference

Fuente: https://www.banrep.gov.co/en/banco-republica-reinforces-measures-ensure-liquidity-economy-pesos-and-us-dollars