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[Box 1 - Foreign Reserve Liquidity Indicators](#)

[Box 2 - Defining Benchmarks: Introducing Neutral Expectations to the Optimizati...](#)

Keep in mind

The Political Constitution of Colombia and Article 14 of Law 31 of 1992 assign *Banco de la República* (the Central Bank of Colombia) the function of managing Colombia's foreign reserves. Las opiniones y posibles errores son responsabilidad exclusiva del autor y sus contenidos no comprometen al Banco de la República ni a su Junta Directiva.

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The Colombian Constitution and Law 31/1992 (Article 14) give Banco de la República a mandate to manage Colombia's foreign reserves, in addition to stipulating the criteria on managing these reserves, which are safety, liquidity and return. The purpose of this report is to explain how Colombia's foreign reserves are managed. As of December 2020, net foreign reserves amounted to USD 59,031.

The report begins with a description of the main concepts associated with foreign reserves and outlines the framework on which their management by the Bank is based. It then describes, in detail, the policy for managing these reserves, as well as the fundamental aspects of its operation. The report ends with a description of the current state of the country's foreign reserves.