Board of Directors of Banco de la República

Last modified Monday the 6th of May, 2024
The Political Constitution of Colombia 1991 established the Board of Directors of Banco de la República (the Central Bank of Colombia) as the monetary, exchange, and credit authority of the State, collegiate body in charge of directing and executing the Central Bank's functions.

In development of the constitution, the Congress enacted Law 31 of 1992, which is the general framework to exercise the functions assigned to Banco de la República as the Central Bank of Colombia and its Board of Directors (BDBR) [See: Political Constitution, Art. 372 and Law 31 of 1992].

Duties
Law 31 of 1992 stated that Banco de la República (the Central Bank of Colombia) shall study and take monetary, credit, and exchange measures to regulate monetary circulation and, in general, the financial market liquidity as well as the normal operation of domestic and external payments in the economy, safeguarding the stability of the purchasing power of the legal tender. For this purpose, the law assigned the Board of Directors several related powers such as setting the banks' reserve requirements, regulating open market operations, establishing the financial conditions for public debt instruments, setting limits on the growth of active operations of credit institutions, the maximum remuneration interest rates in collocation and fund-raising operations of credit institutions and foreign exchange regulation functions.

Likewise, the Board of Directors has other complementary functions formerly vested in the Monetary Board. These include aspects related to setting the financial conditions of some financial institutions operations and the financing of the agricultural sector.

Additionally, as the Central Bank's highest governing body, the Board of Directors is responsible for approving the Bank's financial statements and its budget. Furthermore, the Board can decide about the incorporation or closing of branches and the removal of the Governor in authorized cases, among other duties. [See: Law 31 of 1992: Arts. 5, 16, and 33; and Decree 2520 of 1993: Articles 16, 17, and 34].

Quorum and Voting System
The Board of Directors might only meet, deliberate, and decide with the attendance of at least five of its members, one of whom shall be the Minister of Finance and Public Credit, who will preside it. Decisions might only be made with the favorable vote of at least four of its members, except for the approval of loans or guarantees for the State, which require unanimity. [See: Decree 2520 of 1993 - Bylaws: Article 35].

Communications of the Board of Directors decisions
The matters discussed by the Board of Directors might only be disclosed to the public after a decision has been made.

The President of the Board of Directors and the Board Members selected are authorized to give statements and details that might eventually be requested regarding the decisions taken by the Board.

The Board might choose to explain specific matters through public statements drawn up in advance by the Board or the Board Member appointed by it.