

**EDICT**  
**OF THE PRESIDENT OF THE REPUBLIC OF BELARUS**

December 23, 2011

No. 591

Minsk

On the Approval of the Republic of Belarus  
Monetary Policy Guidelines for 2012

1. To approve the Republic of Belarus Monetary Policy Guidelines for 2012.
2. To ensure the execution by the National Bank, in concert with the Council of Ministers of the Republic of Belarus, of the Republic of Belarus Monetary Policy Guidelines for 2012.
3. This Edict shall come into force on January 1, 2012.

A. LUKASHENKO  
President of the Republic of Belarus

APPROVED  
Edict of the President  
of the Republic of Belarus  
No. 591 of December 23, 2011

## REPUBLIC OF BELARUS MONETARY POLICY GUIDELINES FOR 2012

### **CHAPTER 1 BASIC PROVISIONS**

1. In 2012, monetary policy will be focused on creating conditions for the well-balanced development of the economy.

### **CHAPTER 2 MONETARY POLICY OBJECTIVE**

2. In 2012, monetary policy will be aimed at reducing inflation by means of monetary instruments having regard to the economic policy measures taken by the Government of the Republic of Belarus.

3. Along with the attainment of the monetary policy objective the National Bank and the Government of the Republic of Belarus will continue to implement the measures designed to maintain the country's gold and foreign exchange reserves at the level assuring its economic security.

With account of repayment by the Republic of Belarus of its liabilities (internal and external) in foreign exchange and attraction of direct foreign investments to the country's economy (USD3.7 billion, on net basis) the international reserve assets (by the IMF's methodology) will amount at the end of 2012 to USD6.1-7 billion (according to the Appendix).

### **CHAPTER 3 MONETARY POLICY INSTRUMENTS**

4. In 2012, monetary policy instruments will be designed to curb inflation with account of existing external and internal macroeconomic conditions.

The National Bank will continue to use the flexible exchange rate setting mechanism which makes it possible to adequately respond to mutual fluctuations of the main currencies' exchange rates and to keep the external and internal balance in the economy.

The Belarusian ruble exchange rate will be established with the National Bank's minimum direct participation based on the demand for and supply of foreign exchange and influenced by major macroeconomic factors. The

National Bank's foreign exchange interventions are planned to be limited and aimed solely at restraining sharp fluctuations of the currency basket cost in Belarusian rubles.

5. In 2012, interest rate policy will be aimed at achieving a positive level of interest rates (in real terms) in the economy, such aim being considered an essential condition of ensuring the safety of depositors' savings.

Following the deceleration of inflationary processes, by the end of 2012 the refinance rate will be brought to 20-23% per annum.

For the purpose of market regulation of the rate in the intraday interbank credit market, the National Bank will continue to use the system of interest rate band the limits of which are determined by the rates on standing facilities (overnight credit and SWAP operations and fixed interest rate deposits with the National Bank).

6. The National Bank will issue credits on market terms and for short terms only, using the banks' standard liquidity regulation instruments.

## **CHAPTER 4**

### **BANKING SECTOR, FINANCIAL MARKET, AND PAYMENT SYSTEM DEVELOPMENT**

7. The National Bank shall endeavor to develop and strengthen the banking system.

The system for financing projects included in the government programs shall be streamlined with a view to making the operation of the banking sector more sustainable and developing it. Apart from efforts taken by the JSC "Development Bank of the Republic of Belarus" to finance projects included in the government programs banks should be involved in such financing exclusively on a competitive and voluntary basis.

Banks' regulatory capital shall keep on growing to the level required to cover the risks assumed thereby. Investors' contributions to the banks' authorized capital must become the most important constituent of this growth.

The use of international standards and best international practices in this sphere shall serve as the main point of reference in improving banking supervision principles and tools, including prudential requirements and restrictions.

Banks' resource base shall continue to increase by dint of improving the efficiency of their activities and attracting funds from national and foreign investors, creditors, and depositors.

8. For the purpose of stimulating business activities the National Bank in consort with the Government of the Republic of Belarus shall continue to form stable and efficient financial market by dint of improving instruments and

infrastructure thereof as well as creating favorable investment climate.

9. The work aimed at converging the national accounting and financial reporting system in banks with the international principles, rules, and standards shall be continued with a view to increasing investment attractiveness of the banking system and making the assessment of banks' financial standing more objective.

10. An effective, reliable, and safe functioning of the national payment system shall be ensured in 2012.

11. The National Bank shall endeavor to remove foreign exchange restrictions on operations carried out between residents of member states of the Common Economic Space as well as to develop and strengthen internal control system in banks for the purpose of preventing money laundering and combating terrorism financing.

## **CHAPTER 5 INTERNATIONAL COOPERATION**

12. In 2012, the implementation of measures designed to integrate the banking systems of the Republic of Belarus and the Russian Federation within the Union State, as well as the countries of the EurAsEC and other countries–CIS member states will be continued. A special emphasis will be placed on the issues related to the functioning of the Customs Union and the Common Economic Space of the Republic of Belarus, the Republic of Kazakhstan, and the Russian Federation, as well as the establishment and development of the relevant contractual legal framework.

13. The National Bank and the banking sector of the country will continue to cooperate with the International Monetary Fund, the World Bank, the International Financial Corporation, the European Bank for Reconstruction and Development, the EurAsEC Anti-Crisis Fund, as well as with foreign central (national) banks as regards the topical issues of bilateral cooperation.

## **CHAPTER 6 FINAL PROVISIONS**

14. Implementation of monetary policy aimed at the well-balanced development of the economy should be conducive to maintaining sustainable economic growth in the long-term prospects, raising the households' prosperity, and improving their living standards.

Appendix  
to the Republic of Belarus  
Monetary Policy Guidelines for 2012

**KEY PERFORMANCE INDICATORS**  
of the Banking Sector of the Republic of Belarus for 2012

<b>Indicators</b>	<b>Forecast as at January 1, 2013</b>
International reserve assets of the Republic of Belarus by the IMF's methodology, billion US dollars	6.1-7
The refinance rate as at the end of the year, %	20-23
Growth of banks' claims on the economy, %	17-23