



EDICT
OF THE PRESIDENT OF THE REPUBLIC OF BELARUS

December 1, 2014

No. 551

Minsk

On the Approval of the Republic of Belarus
Monetary Policy Guidelines for 2015

1. To approve the Republic of Belarus Monetary Policy Guidelines for 2015 enclosed herewith.
2. The National Bank, in concert with the Council of Ministers of the Republic of Belarus, shall ensure execution of the Republic of Belarus Monetary Policy Guidelines for 2015.
3. This Edict shall come into force on January 1, 2015.

A. LUKASHENKO
President of the Republic of Belarus

APPROVED

Edict of the President
of the Republic of Belarus
No. 551 dated December 1, 2014

REPUBLIC OF BELARUS MONETARY POLICY GUIDELINES FOR 2015

CHAPTER 1 MONETARY POLICY OBJECTIVE

1. The primary objective of monetary policy is to promote the country's sustainable and balanced economic development through the maintenance of price stability. Bringing inflation, as measured by the consumer price index, down to 12% (December 2015 to December 2014) will remain the major task of monetary policy in 2015. Maintaining money supply at an adequate level will be conducive to reducing monetary factors in inflation.

CHAPTER 2 MONETARY POLICY IMPLEMENTATION

2. In 2015, monetary policy instruments will be aimed at curbing inflation taking into account prevailing external and internal macroeconomic conditions.

The refinance rate will play the key role in the formation of resource costs in the money market. It will be maintained at the level required to attain price stability in the economy. Given the slowdown in inflation, the refinance rate will average out at 15 – 16% per annum in 2015.

In 2015, policy on interest rates will ensure that they are maintained at a positive level in real terms. The attractiveness and safety of savings in Belarusian rubles will be ensured by dint of exceeding their yield over the yield on savings in foreign currency.

Market-driven terms of banks' refinancing using standard liquidity regulation instruments will be preserved.

3. Exchange rate policy that is aimed at mitigating sharp fluctuations in the exchange rate of the Belarusian ruble will be continued. Fundamental macroeconomic factors will have an impact on the formation of its dynamics.

4. Maintaining the level of gold and foreign exchange reserves at a time of significant payments on external and internal obligations of the Republic of Belarus will stay an important nationwide task in 2015.

The dynamics of international reserve assets of the Republic of Belarus will be mainly defined by the state of foreign trade and the volumes of FDI attraction and refinancing of liabilities in foreign currency by the state.

CHAPTER 3

BANKING AND PAYMENT SYSTEMS AND FINANCIAL MARKET DEVELOPMENT

5. In 2015, the National Bank will continue endeavors to improve the banking sector's sustainability, create conditions for further development and implementation of new banking technologies, and raise standards and the quality of banking services.

Banks will improve credit risk management. The quality of banks' assets will be maintained at acceptable level which will ensure required profitability of the banking sector and protection of the depositors and stockholders' interests.

In 2015, measures will be taken to improve the efficiency of banking supervision through the introduction of international standards for banking regulation and supervision over it.

6. In 2015, the National Bank's efforts will be aimed at encouraging banks to build up a sustainable resource base and actively participate in the economic development through the attraction of households and legal persons' funds on a long-term basis using various financial instruments.

The growth of broad money supply in 2015 will amount to 13 – 15%. Bank lending to the economy will be balanced with the development thereof and directed mainly at the effective payback projects, including those financed using government support. In 2015, claims by banks and JSC "Development Bank of the Republic of Belarus" on the economy will grow by 12 – 14%.

Lending to government projects will be effected in line with the resolution on financing government programs and activities in 2015 passed by the Government of the Republic of Belarus and taking into account the Belarusian budget's possibilities of compensating for interest expenses.

7. In 2015, the financial market formation will be ensured by dint of an improvement in its instruments, mechanisms, and infrastructure. This work will be done in close cooperation with government agencies and financial market participants.

The non-banking segment of the financial market, including leasing, microfinance, insurance, and OTC financial instruments, will further develop.

The control over timely return of foreign exchange earnings to the country will be continued.

8. In 2015, an efficient, sound, and safe functioning of the payment system will be ensured by dint of streamlining the regulatory framework in this sphere and pricing policy on settlement services and promoting e-document flow. The work will be continued to minimize risks in the payment system based on the improvement in liquidity management, the development of the software and hardware infrastructure with due regard to international standards, and the implementation of risk-based supervision.

9. In 2015, the development of information technologies in banks and other financial institutions will aim to ensure the effectiveness and continuity of modern banking and other financial services.

10. In 2015, an improvement in the system of non-cash settlements involving retail payments will aim to increase the share of non-cash operations and employ new banking products and technologies based on the use of bank payment cards and e-money.

CHAPTER 4 INTERNATIONAL COOPERATION

11. In 2015, issues relating to the functioning of the Eurasian Economic Union, the development of the contractual and legal framework, and the harmonization of its member states' financial and foreign exchange laws will be given special attention.

The work on promoting cooperation and expanding mutually beneficial ties between the banking systems of the Republic of Belarus and the Russian Federation within the framework of the Union State will be continued.

The National Bank will cooperate with the central (national) banks of the Commonwealth of Independent States within the framework of the Interstate Bank Council as well as bilateral and multilateral consulting interbank bodies.

Cooperation with international financial institutions will continue in implementing previously agreed areas of technical assistance as well as defining the spheres of expert assistance on topical issues of the National Bank's activities.

CHAPTER 5

FINAL PROVISIONS

12. In 2015, the implementation of monetary policy will result in further deceleration in inflationary processes and maintenance of macroeconomic and financial stability.

Key forecast performance indicators of the banking system of the Republic of Belarus for 2015 are given in the Appendix hereto.

Appendix
to the Republic of Belarus
Monetary Policy Guidelines for 2015

Key forecast performance indicators of the banking
system of the Republic of Belarus for 2015

Indicators	Forecast for January 1, 2016
Change in international reserve assets of the Republic of Belarus according to the IMF's methodology, billion US dollars	0
Average annual refinance rate, % per annum	15 – 16
Growth of claims by banks and JSC "Development Bank of the Republic of Belarus" on the economy, %	12 – 14