

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

December 31, 2013

No. 586

Minsk

On the Approval of the Republic of Belarus  
Monetary Policy Guidelines for 2014

1. To approve the Republic of Belarus Monetary Policy Guidelines for 2014.
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 2014.
3. This Edict shall come into force on January 1, 2014.

A. LUKASHENKO  
President of the Republic of Belarus

APPROVED  
Edict of the President  
of the Republic of Belarus  
No. 586 dated December 31, 2013

## **REPUBLIC OF BELARUS MONETARY POLICY GUIDELINES FOR 2014**

### **CHAPTER 1 MONETARY POLICY OBJECTIVE**

1. In 2014, monetary policy of the Republic of Belarus will continue to be strategically focused on maintaining price stability in the economy as the basis for economic growth and well-balanced development of the country's economy.

2. Monetary policy implemented in combination with the measures of the economic policy of the Government of the Republic of Belarus will be aimed at reducing inflation, measured by the CPI, to 11% (December 2014 to December 2013).

### **CHAPTER 2 MONETARY POLICY IMPLEMENTATION**

3. In 2014, the priority of the interest rate policy will remain the maintenance of a positive level of interest rates (in real terms) in the economy which ensures the attractiveness and safety of savings in the national currency.

The refinance rate will be maintained at the level required to attain price stability in the economy. Given the slowing-down of inflationary processes, in 2014 it will average 14-16% per annum.

The refinance rate will be the basic instrument designed to regulate the level of interest rates in the money market and the basis for setting interest rates on the operations involving provision of liquidity to banks.

The National Bank's operations will ensure the convergence of the interest rate on intraday interbank ruble credit to the refinance rate. The interest rate band, the limits of which are determined by the rates on standing facilities (overnight credit, overnight SWAP, and fixed interest rate deposits), will be narrowed further.

The National Bank will continue to regulate liquidity in the banking system by means of standard instruments, ensuring attainment of the monetary policy objective, maintenance of the banking system stability, and execution of payments in a timely manner. It will also continue to provide monetary recourses to banks on market terms.

4. The Belarusian ruble exchange rate will be established based on the demand for and supply of foreign exchange. The National Bank will continue to carry out limited foreign exchange interventions with a view to restraining sharp fluctuations of exchange rate.

5. Having regard to the forecasted improvement of the Balance of Payments, the international reserve assets of the Republic of Belarus will grow in 2014 by USD0.2-0.5 billion.

### **CHAPTER 3**

## **BANKING AND PAYMENT SYSTEMS AND FINANCIAL MARKET DEVELOPMENT**

6. In 2014, the National Bank's efforts will be aimed at improving stability of the banking sector and stimulating banks to increase their resource base and actively participate in the development of the economy, including, by means of supporting export.

Creation of conditions for implementing new banking technologies, improving standards and quality of banking services, and streamlining corporate governance at banks will be continued.

The use of international standards and best international practices in this sphere will continue to be the guiding principle in improving the principles and tools of banking activities and banking supervision, including prudential requirements and supervision procedures. New international capital and liquidity standards developed by the Basel Committee on Banking Supervision (Basel III) will be implemented on a step-by-step basis.

Lending to banks will be carried out with due account of build-up of the banks' resource base and the need to maintain macroeconomic balance in the economy. The volumes and sources of financing government programs and arrangements will be balanced with the economy's resource capacities. On the whole, banks' claims on the economy will grow in 2014 by 16-19%.

7. In 2014, formation of stable and competitive financial market will be continued by means of developing its instruments and ensuring their liquidity and transparency, improving infrastructure, and establishing favourable investment climate.

Creation of institutional environment which facilitates attraction of long-term investments and establishment of institutions that convert domestic savings into long-term financial instruments will be an important area of the financial market development.

8. An efficient, sound, and safe functioning of the payment system will be ensured in 2014 by dint of improving its regulatory legal base and procedures of executing supervision of the payment system and increasing the degree of reliability of the automated system of interbank settlements by means of implementing the most advanced information technologies.

Streamlining of the system of non-cash settlements under retail payments will be continued and the volume of operations involving electronic payment instruments will be increased.

## **CHAPTER 4 INTERNATIONAL COOPERATION**

9. In 2014, the following activities will be continued:

- 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 banking systems of the countries which are members of the Customs Union and Single Economic Space and other CIS-member countries, including the establishment and development of the contractual legal framework;

- cooperation of the National Bank and the country's banking sector with the International Monetary Fund, the World Bank Group, the European Bank for Reconstruction and Development, the EurAsEC Anti-Crisis Fund, as well as with foreign central banks in the field of topical issues of bilateral cooperation.

## **CHAPTER 5 FINAL PROVISIONS**

10. In 2014, implementation of monetary policy will result in a slowdown of inflationary processes and attainment of macroeconomic and financial stability which is the basis for sustainable and well-balanced development of the country's economy.

The key forecast performance indicators of the banking system of the Republic of Belarus for 2014 are given in the Appendix hereto.

Appendix  
to the Republic of Belarus  
Monetary Policy Guidelines for 2014

**KEY FORECAST PERFORMANCE INDICATORS  
of the Banking System of the Republic of Belarus for 2014**

<b>Indicators</b>	<b>Forecast for January 1, 2015</b>
Growth of international reserve assets of the Republic of Belarus according to the IMF's methodology, billion US dollars	0.2 – 0.5
Annual average refinance rate, % per annum	14 – 16
Growth of banks' claims on the economy, %	16 – 19