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[In the context of extreme global volatility, the Board of Directors of the Central Bank, in an extraordinary session, adopted measures to strengthen the liquidity of the country's payment systems](#)

Attachments

[Questions and answers regarding the decision from the Central Bank of Colombia](#)

In its session today, the Board of Directors of the Central Bank of Colombia, in an extraordinary session, with the Financial Superintendent as guest attendant, adopted a set of measures addressed at strengthening the liquidity of the payments system in the context of the current extreme global volatility.

The following were the decisions made:

1. To establish a new mechanism of exchange-rate hedging through Non-Delivery Forwards (NDF). The conditions of the new mechanism are the following:
  - a. Mechanism: Uniform auction price
  - b. Amount: USD 1 billion (b)
  - c. Forward Price: To be determined at the auction.
  - d. Maturity: 30 days, which may be renewable.
  - e. Counterparties: Eligible Foreign Exchange market intermediaries

This mechanism seeks to facilitate the negotiation in foreign currency of market participants in the context of the inflation targeting scheme with flexible exchange rate.

2. Allow the use of rated private debt instruments subject to the admissibility conditions established for transitory expansion facilities.
3. Extend access to managed funds through their different managers, stock brokerage companies, trusts, and investment companies, to the transitory expansion auctions of the Central Bank using private debt instruments. Accordingly, starting today, such institutions may use the liquidity overnight and term facilities.

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4. As of tomorrow, expand the total allotment of liquidity auctions to COP \$17 trillion (t), of which COP \$12 t correspond to public debt repos and COP \$5 t to private debt.

The Board of Directors of *Banco de la República*, in coordination with the Ministry of Finance and Public Credit and the Office of the Financial Superintendent will continue to permanently monitor the liquidity and volatility of the foreign exchange market, as well as domestic and external liquidity.

Note: 1 billion =  $1 \times 10^9$ ; 1 trillion =  $1 \times 10^{12}$ .

For further information regarding this measures, we invite you to read the [following document](#) prepared by the technical staff

## **Press Conference (Only available in Spanish)**

The Ministry of Finance and Public Credit, the Governor of the Central Bank, and the Deputy Technical Governor of *Banco de la República* offered a press conference online this afternoon with important announcements.

Bogotá.

Link

[Press Conference \(Only Available in Spanish\)](#)

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