Nicaragua: The Low Interest Rates Environment and EMEs’ Policy Outlook

XV Meeting of Monetary Policy Managers: Monetary Policy in EMEs, Current Challenges

September 26 and 27, 2019
Santo Domingo, Dominican Republic
Monetary policy challenges

1. Preserve macroeconomic and financial stability
2. Strengthen the new monetary policy scheme
3. Further development of payment systems
New monetary policy scheme

**FASE I**
Introducción de Letras a 7 y 14 días plazos, para disminuir excedentes de liquidez.

**FASE II**
Introducción Letras a 1 día y establecimiento corredor de tasa de interés interbancaria.

**FASE III**
Fijación de la TRM por el BCN (consistencia macro).
BCN adopted measures to preserve financial and macroeconomic stability

2019

- Interest rate for repurchase agreements was reduced.
- Reserve requirement reduced from 15 to 13 percent in local currency.
- Norm approved to defer the constitution of provisions for loan portfolio and for the treatment of assets obtained from non-performing loans.