**DECISION**

**No. 13, dated 7.2.2018**

**Approval of required reserve ratio**

**held by banks with the Bank of Albania**

In accordance with Article 7, paragraph 2, of the Regulation “On minimum reserve requirement held by banks with the Bank of Albania”, adopted with the Decision No. 29, dated 16.05.2012 of the Supervisory Council of the Bank of Albania, as amended; having regard to the proposal from, Financial Stability Department and Monetary Operations Department, the Supervisory Council of the Bank of Albania,

DECIDED:

1. The required reserve ratio in lek held by banks with the Bank of Albania, shall be:
2. 7.5% (seven point five per cent) applied to the liability categories included in the required reserve base, to which a reserve ratio of 0% is not applied and whose maturity is up to 12 months; and
3. 5.0% (five point zero per cent) applied to the liability categories included in the required reserve base, to which a reserve ratio of 0% is not applied and whose maturity is over 12 months, up to two years.
4. The required reserve ratio in foreign currency, held by banks with the Bank of Albania, shall be:
5. 12.5% (twelve point five per cent) applied to liability categories included in the required reserve base, to which the 0% reserve ratio is not applied, when the ratio “liabilities in respective foreign currency included in the required reserve base, to which 0% reserve rate is not applied / total liabilities included in the required reserve base, to which 0% reserve rate is not applied” for the bank is up to 50% (fifty per cent); and
6. 20% (twenty per cent) applied to liability categories included in the required reserve base, to which the 0% reserve ratio is not applied, on the additional value of these liabilities of the bank exceeding 50% (fifty per cent) of the ratio “liabilities in respective foreign currency included in the required reserve base, to which 0% reserve ratio is not applied / total liabilities included in the required reserve base, to which 0% reserve ratio is not applied”.
7. For the base period of the required reserves, from January 2018 to June 2019, the holding of the required reserves shall be:
8. in foreign currency, for the value of required reserves corresponding to the required reserve ratio in foreign currency at the level of 10% (ten per cent); and
9. in lek, for the value of required reserves corresponding to the required reserve ratio in foreign currency above the level of 10% (ten per cent).
10. Starting from the base period of the required reserves, July 2019, the holding of required reserves in foreign currency, in accordance with paragraph 2 set out in this Decision, shall be only in foreign currency.
11. The Monetary Operations Department is responsible for the implementation of this Decision.
12. The Research Department is responsible for the publication of this Decision in the Official Bulletin of the Bank of Albania.
13. The Decision of the Supervisory Council No. 45, dated 16.07.2008 shall be repealed upon the entry into force of this Decision.

This Decision shall enter into force on 24 July 2018.

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| **SECRETARY** |  | **CHAIR** |
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| **Elvis ÇIBUKU** |  | **Gent SEJKO** |