

MINIMAL RESERVE RF CENTRAL BANK REQUIREMENTS AND THEIR ROLE IN BANK LIQUIDITY REGULATION

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Keywords: monetary and credit policy, minimal reserve requirements, bank liquidity, money supply, monetary aggregate, compulsory redundancy mechanism, refinancing rate, credit emission.

The article deals with the minimal reserve requirements evolution in RF - indirect method of monetary and credit regulation, the usage of which leads to credit emission limitation and, as a matter of fact, to inflationary processes. The development perspectives of the given mechanism in the system of money and credit and money regulation in RF are examined in the article.

Minimal reserve requirements are, in fact, compulsory deposit standard of commercial banks to Central bank. There is the oldest method of money circulation that was historically developed as a device for banks' solvency support and was treated as a reserve stock.

In Russia the analyzed method of money and credit relations as well as many others has been used since 1990.

At the beginning of 90-ies, in conditions of strict monetary money and credit policy carried by the Government, reservation form, as well as refinancing discount rate was increased. At the same moment the aim of inflation reduction and monetary aggregates increase prevention was pursued.

The differentiation of minimal reserve requirements on various criteria was used by RF Central bank. At first, it was types of deposits in various lending agencies, then one more type was added - currency type of obtained funds.

Since 1995 RF Central has been reducing by degrees reserve requirement standards as well as refinancing discount rate, because some implications for inflation processes reduction under the influence of strict monetary money and credit state policy appear.

The new stage of RF Central bank policy in the sphere of reserve requirements starts from 1999.

The gradual way out from the crisis, bank system conversion, the forming of state financial balance create preconditions for minimal reserve requirements prevention in bank credit activities regulations, mechanism that allows to stimulate active bank activities operations in accordance with economic growth needs.

Serious changes in compulsory reserve mechanism took place in 2004.

Firstly, RF Central bank again 2 times reduces minimal reserve requirements to the level of

3,5% (attracted resources from individual and legal persons in rubles and in foreign currency) and 2% (attracted resources from banks-non-residents).

Secondly, it introduces the order of commitments averaging due to efficient bank liquidity regulation.

In the next years the change in reserve requirements by RF Central bank was determined by the following factors: inflation processes, changes in commercial banks demand balances on loro accounts (cumulative bank liquidity), external economic factors that treat with foreign capital movement, etc.

From the beginning of October 2008 RF Central bank sets reservation cost of funds rate on the level of 0,5 % and abandon the differentiation of compulsory reserve norms that has been in use for more than 10 years on such criteria as currency type of money obligations and a client's category mentioned before.

The measure, from our point of view, should be viewed as extraordinary that can be characterized by its temporal nature in the situation of the lack of bank system liquidity.

It is expected that the return to mechanism of compulsory reserves standards differentiation will take place in the process of our country's recovery from recession, when progressively the necessity of challenging function revival of the money and credit state police realization method appears.

Basic trends of unified RF state money and credit policy in 2010 for the period of 2011-2012 // *Vestnik Banka Rossiji*. 2009. № 68. P. 3-12.

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Vestnik Banka Rossiji. 2010. № 68. P. 20.

Received for publication on 25.02.2010

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