



Central Bank of Barbados Announces Monetary Policy Change

The Central Bank of Barbados announces a further tightening of its monetary policy stance. The policy change will be applied to the Barbados Dollar securities reserve requirement ratio for commercial banks licensed under Part II of the Financial Institutions Act and it will be implemented in two phases.

Effective December 1, 2017, commercial banks will be required to hold 18% of their domestic deposits in stipulated securities. From January 1, 2018, commercial banks will be required to hold 20% of their domestic deposits in stipulated securities.

This is the second increase for the year and complements the fiscal initiatives introduced by the Minister of Finance in his Financial Statement and Budgetary Proposals earlier in the year.

The cash reserve requirement for commercial banks remains unchanged at 5%. The reserve requirements for deposit-taking trust and finance companies, and merchant banks also remain unchanged.

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