

Legal reserve requirements as macroprudential instrument in Bolivia

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Abstract

During last 10 years, several macroprudential instruments have been adopted to control the credit's procyclicality and thus to contain episodes of financial instability that could arise. In this sense, specifically the legal reserve requirements have been actively used by several countries among which is Bolivia, so the document seeks to answer how the reserve requirements influence the credit growth from a macroprudential perspective.

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