



**Banco de la República | Colombia**

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## Lender of Last Resort

Thursday, November 18, 2021 - 12:00

According to Chapter VI in Colombia's Constitution, a basic function of *Banco de la República* is "to serve as a lender of last resort [...] for credit institutions". In exercising this faculty, the Bank promotes financial stability through a mechanism designed to support solvent credit institutions that anticipate or are dealing currently with temporary liquidity needs.

Pursuant to the provisions in Law 31 of 1992, External Resolution 2 of 2019 compiles and dictates the rules set by the Board of Directors of *Banco de la República* in exercise of this function. In turn, the various aspects of that resolution are regulated in Banco de la República's External Regulatory Circular DEFI-360 (and its attachments).